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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan	)	WC Docket No. 03-16

JOINT DECLARATION

OF SARAH DeYOUNG

AND WALTER W. WILLARD

ON BEHALF OF AT&T CORP.

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JOINT DECLARATION OF SARAH DeYOUNG AND WALTER W. WILLARD

1. My name is Sarah DeYoung. I am Division Manager -- Local Services for AT&T's SBC Local Services and Access Management ("LSAM") Organization. In my position, I am responsible for the business relationship with SBC Communications Inc. ("SBC") as it relates to supporting AT&T's plans for entering the local telephone service market. Those responsibilities include negotiating with Ameritech, Southwestern Bell Telephone Company ("SWBT"), Pacific Bell ("Pacific"), and Southern New England Telephone ("SNET") for the purpose of facilitating local market entry by AT&T.[1]

2. My responsibilities also include managing the business relationship between AT&T and SBC (and its subsidiaries, including Ameritech) for all local issues. AT&T is currently providing local exchange service through the UNE platform ("UNE-P") to residential customers in six SBC states, and business local service in nine SBC States. In Michigan, AT&T

[1] For the purpose of this Joint Declaration, unless otherwise specifically indicated, we will use the term "SBC" to refer both to Ameritech Michigan and Michigan Bell.

has been purchasing unbundled network elements from Ameritech Michigan for more than a year to provide business and residential local services.

3. The team that I currently manage interfaces with internal AT&T operational teams dedicated to provisioning AT&T local services. In AT&T Consumer Services, for example, our primary stakeholders include the Product Management organization, which oversees the bundled local product that AT&T is offering in Michigan and other SBC States. My team also partners with the CIO systems organization that manages the integrated systems platform and interfaces with SBC and other external suppliers (such as vendors of inside wire and providers of voice mail). Finally, my team facilitates regularly scheduled conference calls between SBC's LSC and LOC centers and AT&T Customer Care Organizations.

4. I hold a Bachelor of Arts degree from the University of Michigan in Ann Arbor, and a Master of Management degree from the Kellogg School of Business at Northwestern University. I have been with AT&T since 1982. In the course of my career, I have worked in various local exchange supplier management positions and in a wide variety of engineering and finance positions. In 1995, I managed AT&T's Total Services Resale and Loop Resale operational discussions with SBC. In 1996, I was Program Manager - Negotiations Support in AT&T's Central States region. In that position, I was responsible for supporting the executive team that led AT&T's interconnection negotiations with SBC and provided subject matter expertise on a number of local issues. In addition, from late 1996 until April 1999, I also acted as AT&T's primary contact with Pacific on all operations support system and operational issues associated with AT&T's market entry in the state of California.

5. My name is Walter W. Willard. I am the District Manager for OSS Local Services for AT&T's SBC LSAM Organization. In this position, I have responsibility for the business relationship with SBC to support AT&T's plans for local service market entry and for negotiations with Ameritech, Pacific, SWBT, and SNET to facilitate such market entry.

6. I am in frequent contact with policymakers at Ameritech's parent corporation, SBC, regarding a multitude of local issues that bear on activities in our region. I have similar responsibilities in California, Texas, Missouri, Oklahoma, Kansas and Arkansas with respect to Pacific and SWBT. In addition to these responsibilities, I have represented AT&T as a primary member of the California OSS Third Party Test – Test Advisory Board.

7. I am a graduate of the University of San Francisco, where I received a Bachelor of Science degree in Business Administration. I also received a Master of Science degree in Telecommunications from Golden Gate University in San Francisco. I have been employed by AT&T since 1981. In the course of my employment at AT&T, I have held various positions in the Engineering, Operations, OSS Research and Development, International, and Outsourcing areas. I have previously testified on behalf of AT&T in various regulatory proceedings, including the proceedings before this Commission involving SBC's applications for Section 271 authority in California, Missouri and Arkansas. I have also testified in Section 271 proceedings before State commissions in Michigan, California, Missouri, Arkansas, Oklahoma, Illinois and Kansas.

8. Among the matters that each of us has personally focused on in our respective positions are SBC's operations support systems ("OSS") relating to the provisioning of UNEs to AT&T. Each of us is actively involved with various SBC teams that are responsible

for working with AT&T as a local service provider. Among the teams or organizations at SBC with which we (and members of our organization) have frequent -- sometimes daily -- contact are:

- SBC's account teams assigned to AT&T;
- SBC OSS systems representatives;
- SBC's Local Service Centers ("LSC") and Local Operations Centers ("LOC"); and
- SBC project teams implementing various systems, operational and engineering changes within SBC in its various regions, including the Ameritech region.

Through SBC's AT&T Account Team, we are also in frequent contact with policymakers at SBC regarding a multitude of issues that bear on local service.

I. PURPOSE AND SUMMARY OF DECLARATION

9. The purpose of this Joint Declaration is to address whether, as SBC asserts,[2] SBC has demonstrated that it provides nondiscriminatory access to its OSS, as required by the Telecommunications Act of 1996 ("the 1996 Act"). For the reasons stated below, SBC has not done so.

10. More than five years ago, when SBC filed its previous (and unsuccessful) application for Section 271 authority in Michigan, the Commission found that SBC had "not demonstrated that it provides nondiscriminatory access to all OSS functions."[3] The Commission found, for example, that the record of that proceeding raised "significant doubts about SBC's

[2] *See, e.g.*, Brief in Support of Application By SBC For Provision of In-Region, InterLATA Services in Michigan, filed January 16, 2003, at 38 ("Application"); Affidavit of Mark J. Cottrell Regarding Operations Support Systems, ¶¶ 4-6, 235 ("Cottrell Aff.").

[3] *See Michigan 271 Order* ¶ 403. *See also id.* ¶¶ 5, 105, 158, 204.

ability to handle an increasing volume of orders, which will be a critical component in order for competition to develop in the Michigan local exchange market." *Michigan 271 Order* ¶ 191. By itself, SBC's failure to meet its "fundamental obligation" of providing nondiscriminatory access to its OSS was sufficient to warrant denial of that Application. *See id.* ¶¶ 5, 128.

11. The *Michigan 271 Order* recognized that parity of access to a BOC's OSS is critical to the creation of a truly competitive market for local exchange service. Thus, the Commission stated:

> We would question whether a BOC's local telecommunications market is open to competition absent evidence that the BOC is fully cooperating with new entrants to *efficiently switch over customers as soon as the new entrants win them. This entails, among other things, the ability of new entrants to obtain the same access to the BOCs' operations support systems that the BOCs or their affiliates enjoy.*

Michigan 271 Order ¶ 21 (emphasis added). Thus, since it issued the *Michigan 271 Order*, the Commission has repeatedly emphasized that "nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition."[4]

12. Although much time has passed since the Commission issued the *Michigan 271 Order*, SBC still falls short of providing nondiscriminatory access to all OSS functions under the two-part test that the Commission first articulated in its *Michigan 271 Order*, and reaffirmed less than two months ago:

> The Commission analyzes whether a BOC has met the nondiscrimination standard for each OSS function using a two-step

[4] *See, e.g., Qwest Nine-State 271 Order*, App. K ¶ 25; *California 271 Order*, App. C ¶ 25; *Virginia 271* Order, App. C ¶ 25; *Florida/Tennessee 271 Order* ¶ 68; *BellSouth Five-State 271 Order* ¶ 129; *New York 271 Order* ¶ 83; *Second Louisiana 271 Order* ¶¶ 83-90; *South Carolina 271 Order* ¶¶ 14-18, 82.

> approach. First, the Commission determines "whether the BOC has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and whether the BOC is adequately assisting competing carriers to understand how to implement and use all of the OSS functions available to them." The Commission next assesses "whether the OSS functions that the BOC has deployed are operationally ready, as a practical matter."[5]

Far from "fully cooperating with new entrants to efficiently switch over customers as soon as new entrants win them," SBC has created an environment in the Ameritech region where CLECs' operations are constantly disrupted and CLECs must overcome innumerable obstacles before customers are switched over. That environment exists because SBC's OSS lack the stability and sophistication to support the type of mass-market entry in Michigan planned by AT&T.

13. Since it entered the local residential market in Michigan in February 2002, AT&T has expended substantial time and resources to offer, and provide, local exchange service as a quality product competitive with that offered by SBC. Because of AT&T's efforts, hundreds of thousands of consumers in the Ameritech region, obviously welcoming an alternative to SBC's monopoly service, have already migrated from SBC to AT&T. As of January 25, 2003, for example, AT&T was providing residential local exchange service through the UNE platform to more than [*******] consumers in Michigan.

14. Yet, despite its best efforts, AT&T's market entry has been persistently set back by the inadequate performance of SBC's OSS. AT&T's operations have experienced constant disruptions due to such problems as SBC's failure to provide advance notice of changes

[5] *Qwest Nine-State 271 Order*, App. K ¶ 29. *See Michigan 271 Order* ¶ 136.

in its OSS. These problems make it virtually impossible for AT&T to maintain (much less improve or expand) its interface with SBC.

15. SBC's management of its OSS in the Ameritech region is the worst of any BOC (or ILEC) with which AT&T deals – and, in our experience, is markedly worse even than the OSS in the Pacific and SWBT regions. For example:

- Approximately 95 percent of the OSS issues escalated to our respective levels within the LSAM organization since September have been for the Ameritech region. Most of those problems resulted from unannounced changes by SBC to the interface in production, in violation of the change management process ("CMP").
- Because of the ongoing unsatisfactory experience with SBC in the Ameritech region, AT&T was required to re-deploy two additional persons (within a team of 11 associates who work on local OSS and production issues) to work solely on OSS issues within the Ameritech region.
- The issue logs from Center-to-Center calls that LSAM facilitates with the Local Service Center ("LSC") and Local Operations Centers ("LOCs") of SBC reflects a significant disparity of daily operational issues across the region, with Ameritech's being by far the worst.

16. The poor condition of the OSS in the Ameritech region is due in great part to SBC's failure to improve the quality of the woefully inadequate Ameritech legacy systems. Despite the Commission's directive in the *SBC/Ameritech Merger Order* that SBC implement a uniform OSS throughout *all* of its regions, SBC allowed the back-end systems in the Ameritech region to languish, neglected, until SBC hurriedly began an attempt to improve them in 2001. Even today, the back-end systems in the Ameritech region are not uniform with those in the remainder of SBC's regions – and the non-uniform characteristics of the Ameritech systems account for much, if not all, of the instability of the OSS.

17. SBC's claim that it is providing nondiscriminatory access in the Ameritech region is remarkable, particularly in view of the constant disruptions that its flawed OSS caused in AT&T's operations even during the months immediately preceding the filing of its Application. Between early September through mid-December, for example, nearly [*******] of AT&T's orders[6] in the Ameritech region were rejected or otherwise adversely affected as a result of deficiencies in the OSS. This total (which includes supplemental orders that AT&T was required to submit after the original orders were erroneously rejected) represented 25 percent of all orders that AT&T submitted during the same time period.

18. Although SBC's Application attempts to portray a picture of an ever-improving OSS, the reality is far different. In AT&T's experience, the performance of the OSS grew progressively *worse* during the second half of 2002. That deterioration is reflected not only in the tens of thousands of AT&T orders adversely affected in October, November and December, but by the decline in SBC's ability to respond to OSS problems. During the last few months of 2002, AT&T found that the cycle times to resolve these problems lengthened to unacceptable levels. The longer resolution times are due, in part, to the unavailability of SBC personnel at various times to help resolve OSS problems. To resolve most of the problems experienced by AT&T during October, November and December, AT&T was forced to escalate its concerns to SBC's Vice-President of OSS – where SBC finally conceded an error and promised resolution of the problem. Following such a procedure is not only frustrating, but also costly, to AT&T.

[6] An "order," for purposes of this discussion, means a single version of a purchase order. Thus, where PONs require multiple versions, those are considered multiple orders.

19. The deficiencies in SBC's OSS have significantly impaired AT&T's ability to attract, and retain, customers in Michigan. As the performance of the OSS deteriorated, AT&T's customer disconnect rate has increased. AT&T is experiencing a customer disconnection rate of almost 7 percent in Michigan – the highest level of any State in which AT&T is providing local exchange service.[7]

20. The deterioration in OSS performance during the last months of 2002 undoubtedly was also a significant cause (if not the only cause) of the increase in the cancellation rate experienced by AT&T in Michigan and other States in the Ameritech region.[8] For orders placed between September and November 2002, cancellation rates increased from 5.3 percent to 6.4 percent in Michigan.[9] On the basis of AT&T's interviews with former customers who cancelled their AT&T service, it appears that almost 75 percent of such customers in Michigan migrated back to SBC. Furthermore, the rejection rate for AT&T's residential UNE-P orders jumped from 14.68% in August 2002 to 21.52% and 23.59% in October and November, respectively.

21. Although OSS performance declined in the last months of 2002, the OSS problems that AT&T experienced during that period are not an isolated incident. Not a month passed during 2002 (and in 2003) when AT&T did not experience substantial disruption of its

[7] The "disconnection rate" represents the percentage of AT&T's customers (*i.e.*, customers to which AT&T actually provided local exchange service) who later terminated their service with AT&T – either to switch to another LEC or to terminate telephone service altogether.

[8] The "cancellation rate" represents the percentage of all customers who ordered local service from AT&T but cancelled the order before service was actually provisioned.

[9] Although SBC's business rules for PM 9 (Percent Rejects) imply that SBC is able to accurately disaggregate CLEC-caused rejects from Ameritech-caused rejects, that is not the case. In September, for example, the data for the submeasure which is designed to capture SBC-caused

operations, due to the instability and inadequacy of the SBC OSS. The disruptions have included the rejections of tens of thousands of orders in error, outages in SBC's systems, SBC's failure to send thousands of line loss notifications, and SBC's failure to resolve problems in a timely manner.

22. These problems not only have caused inconvenience to AT&T's customers (many of whom cancel their service as a result of delays attributable to SBC's performance), but also have required AT&T to devote substantial costs and resources to have the problems resolved. The ever-recurring problems with the OSS require AT&T to repeatedly contact SBC (and escalate the matter) to seek resolution of the problem. Because of SBC's lack of responsiveness to such problems, AT&T is often forced to develop its own solutions, in order to ensure that its customers receive quality service on time. For example, as will be described herein, AT&T has been required to submit tens of thousands of supplemental orders after the original orders were rejected in error by SBC's OSS, in order to ensure that the service which they ordered is installed as close as possible to the date that they were originally promised. Unless AT&T submits supplemental orders in such circumstances, it would be forced to rely on SBC to manually reprocess the erroneously-rejected orders – a manual process that is prone to error and, more importantly, would almost certainly delay provisioning for an unacceptable length of time.[10] Because of the unreliability of this "un-rejection" process, AT&T has had little

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rejects showed only three such rejects

[10]In fact, SBC will only do that if it is a non-fatal reject. If the error is fatal, under all circumstances, the CLEC is forced to submit a supplemental order. In any event, SBC's manual process of "un-rejecting" orders that it rejected in error is unavailable to CLECs who place orders under LSOG version 5 (LSOG 5), which is the version of EDI likely to be used by CLECs which, like AT&T, provide local exchange service on a mass-market basis.

choice but to supplement the rejected orders – even though the supplemental order, in effect, eliminates the original order and eliminates it for performance reporting purposes.

23. In other circumstances, AT&T has been forced to modify (*i.e.*, recode) its own systems or cooperate in a "workaround" with SBC in order to overcome the error conditions created by SBC, due to SBC's inability or unwillingness to make the necessary modifications to its OSS. In addition to requiring AT&T to expend substantial resources and time, these "self-help remedies" are almost always less effective than if SBC itself were to directly modify its OSS. In any case, patchwork fixes do not remove the underlying flaws in the OSS. Soon after AT&T implements a necessary modification or workaround to correct one OSS problem, yet another deficiency in SBC's OSS will appear – requiring AT&T to repeat the cycle of seeking SBC's assistance and, if necessary, supplementing orders and modifying AT&T's own systems.

24. The disruptions that AT&T is experiencing are primarily due to SBC's failure to comply with its own change management process. Simply stated, there is no effective change management process to deal with changes once interfaces have been deployed and are "in production" in the Ameritech region. Whatever efforts SBC makes to comply with the CMP are focused on placing new interfaces into production. Once an interface is in production, however, SBC routinely makes changes to its systems without providing advance notification to CLECs – thereby causing orders to erroneously reject and otherwise impeding the CLECs' ordering capabilities. In fact, an Accessible Letter that SBC sent to CLECs only two weeks ago marked the *first time* (aside from documentation regarding its releases) SBC provided advance notice of an "in production" systems change to CLECs in compliance with the CMP. The

problems that CLECs experience as a result of SBC's disregard of the CMP have been exacerbated by its failure to provide adequate documentation.

25. Furthermore, SBC's policy governing EDI versioning severely restricts access to SBC's OSS. SBC's versioning policy in the Ameritech region will not support orders from CLECs that have multiple EDI platforms, CLECs that use service bureau providers (in addition to their own EDI platform) to place orders, and CLECs who develop partnerships with data providers to support line splitting where the voice and data CLECs each have different EDI platforms. SBC is the *only* RBOC that has a versioning policy that imposes such competitive constraints on CLECs.

26. Other deficiencies in the OSS have contributed to the disruptions in AT&T's operations. Often, AT&T's orders have been erroneously rejected as the result of human errors by SBC's personnel or to systems errors by SBC. In some circumstances, for example, SBC's attempts to fix a known defect in the OSS results produces yet another, new OSS problem.

27. The OSS problems that AT&T has recently experienced are particularly noteworthy because *none* of them are captured in SBC's self-reported monthly performance data. For example, when AT&T submits supplemental orders after the original orders are erroneously rejected because SBC failed to provide advance notice of changes in its systems, no data regarding the original order will be reflected in the performance results. Thus, even if the due date on the original order was not met, the reported data is skewed, because it reflects only SBC's ability to meet the due date on the *supplemental* order. Even when an order is accepted

into SBC's systems, the reported data will not capture situations when SBC fails to provide CLECs with notices such as line loss notifications.

28. The *inclusion* of these OSS problems in the reported data would show their dramatic impact on AT&T. AT&T estimates that, if such problems had been reflected in the data, SBC-Ameritech would have been required to pay AT&T at least an additional $10 million pursuant to its performance assurance plan based on late FOCs and missed due dates alone. Even if only some of the disruptions in AT&T's service were included in the performance data, the additional payments would be substantial. For example, as discussed below, in October, November and December 2002 AT&T submitted nearly 38,000 orders that were erroneously rejected, and that therefore did not receive a FOC. Based on AT&T's marketing activities in the Ameritech region, it is fair to assume that at least 50 percent – or 19,000 --- of those orders were submitted in Michigan. If each of these 19,000 orders was installed after the due date on the original order, SBC would have been required to pay more than $1.3 million to AT&T for failing to meet Performance Measurement 28 (which measures the percentage of customer orders completed within the customer-requested due date) with respect to these orders. SBC would also have been required to make additional payments for failing to meet other performance measurements, such as PM-5 (percentage of FOCs returned within "X" hours).

29. The prospect that SBC will ever provide nondiscriminatory access to its OSS, and open its market to competition, is bleak. Despite the poor performance of its OSS, SBC recently has taken actions that will *reduce* its support to CLECs. As a result of a "reorganization" announced by SBC in December (without consulting AT&T), AT&T has lost its dedicated SBC account team. Even more recently, SBC advised AT&T that it was limiting

the number of times that AT&T can retest scenarios in the joint test environment which SBC offers to CLECs. SBC's restriction will prevent AT&T from determining whether its systems are properly coded or otherwise adequately modified to permit the successful submission of transactions to SBC. The new restriction is likely to result in even more order delays or rejections in the future.[11]

30. Each of these OSS issues and problems is discussed below. Part II shows that SBC's OSS in the Ameritech region have historically been, and remain, unstable and inadequate. When, after years of neglecting the Ameritech OSS, SBC attempted to implement LSOG 4 and LSOG 5 in that region, SBC seriously underestimated the limited and primitive nature of those systems. As a result, SBC's implementation of both LSOG versions was seriously flawed, with a seemingly endless cycle of "exceptions," changes, upgrades, and "fixes" (some of which themselves required "fixes"), all of which wreaked havoc with the CLECs' attempts at market entry.

31. As discussed in Part III, SBC's recent performance has fallen woefully short of providing nondiscriminatory access to OSS functions. During the last few months – including the weeks *after* the filing of SBC's Application – AT&T's operations have been substantially disrupted by such OSS problems as outages on the CORBA pre-ordering interface, rejections of tens of thousands of orders due to errors by the OSS, and the failure of SBC to send tens of thousands of billing completion notices and line loss notifiers.

[11] On February 3, 2003, SBC issued an Accessible Letter to CLECs, announcing that a conference would be held on February 7 to discuss CLEC testing in the EDI/CORBA pre-ordering test environment.

32. As discussed in Part IV, SBC also denies nondiscriminatory access to OSS by refusing to provide CLECs with reasonable and nondiscriminatory access to multiple versions of the EDI interface. Alone among the RBOCs, and only in the former Ameritech States, SBC enforces a policy that effectively requires a CLEC using a particular Operating Company Number ("OCN") to submit all orders from the same EDI version. This requirement creates a substantial barrier to competition through line splitting and to any other competition that requires collaboration on orders between a CLEC and a third party.

33. SBC compounds these problems by the poor support that it provides to CLECs. As discussed in Part V, SBC repeatedly violates its change management process through its constant failure to provide CLECs with advance notice of changes to the OSS, does not provide CLECs with an adequate test environment, and provides CLECs with flawed OSS documentation that impairs, rather than assists, their use of the OSS. Yet, in the face of these and other OSS problems, SBC has recently reduced the level of assistance that it gives to CLECs on OSS issues.

II. SBC'S OSS HAVE HISTORICALLY BEEN, AND REMAIN, UNSTABLE.

34. As described below in Part III, in recent months SBC's OSS exhibited a marked increase in instability, outages, errors, and other OSS problems. The deficiencies have substantially impaired AT&T's ability to use the pre-ordering and ordering functions that are essential to its provision of local exchange service in the marketplace.

35. The recent poor performance of the OSS, however, is not a one-time phenomenon, but a continuation of a longstanding and systemic problem. SBC's OSS has been unstable and inadequate for years. The more recent instances of SBC's failure to follow the

change management process, system errors and instability, manual errors, inadequate assistance to CLECs, and inadequate documentation are simply the latest episodes in a continuous denial of nondiscriminatory access to CLECs. The examples discussed below amply illustrate this point.

36. For some two and one-half years after it merged with SBC in 1999, SBC's OSS remained virtually the same. They were, quite literally, the same interfaces with the same functionality that existed at the time the Commission issued the *Michigan 271 Order*. Although the industry adopted LSOG version 3 standards in May 1998, and LSOG 4 conventions in June 1999, the pre-ordering and ordering interfaces in the Ameritech region were on various dot releases of LSOG 1 until March 2001, when LSOG 4 was implemented in the region. By contrast, SBC's affiliate, SWBT, continually upgraded its OSS as new industry standards were released during the same period.

37. During the proceedings before this Commission involving its application to merge with Ameritech, SBC represented that it would move expeditiously to update the OSS in the Ameritech region to industry standards. In fact, as a condition of their approval of the application, the state commissions of Illinois and Ohio ordered SBC to update its OSS.[12]

38. In March 2001, as part of its "catch-up" efforts, SBC implemented its LSOG 4 release in the Ameritech region. However, the release was riddled with so many

[12] *See Joint Application for Approval of the Reorganization of Illinois Bell Telephone a/b/a Ameritech Illinois, and the Reorganization of Ameritech Illinois Metro, Inc. in Accordance With Section 7-204 of the Public Utilities Act and For All Other Appropriate Relief,* Illinois Commerce Commission Docket No. 98-0555, September 23, 1999 Order at 257-259; *In the Matter of the Joint Application of SBC Communications Inc., SBC Delaware Inc., Ameritech Corporation, and Ameritech Ohio for Consent and Approval of a Change of Control,* Public Utilities Commission of Ohio Case No. 98-1082-TP-AMT, April 8, 1999 Opinion and Order, at 10-17.

document and system deficiencies that CLECs were unable to actually use it until months afterward. Many of those system problems linger today.

39. Like its implementation of LSOG 4, SBC's exception-filled implementation of LSOG 5 discouraged CLECs from migrating to the new release. It is striking that, to the best of AT&T's knowledge, only two CLECs – McLeod and AT&T (and only AT&T Consumer Services) – have migrated to LSOG 5 in the Ameritech region.[13] And as discussed below, the LSOG 5 release has already proved to be seriously flawed.

40. After playing catch-up, SBC's prior implementation of the interfaces was shoddy. As a result, SBC keeps making changes to existing interfaces without notifying CLECs in accordance with sound principles of management. As shown further below, most of the recent problems that AT&T is experiencing were caused by unannounced changes in violation of the Changes Management Plan.

41. In the first place, SBC failed to honor the timeframes established in the CMP. Although SBC claims that it "has followed the agreed-upon CMP for all of its releases since March 2001" (Cottrell Aff. ¶ 208), SBC abused those timeframes in implementing LSOG 4. Again and again, SBC invoked the Exception Process of the CMP to make "update" changes to system requirements – typically because the previously-issued documentation was so inadequate. SBC followed few, if any, of the timelines of the CMP in issuing these "updates."

[13] Some service bureaus in the Ameritech region also submit orders using LSOG 5.

In all other respects, SBC's invocation of the Exception Process swallowed the timelines and made a mockery of the CMP.[14]

42. As a result of its use of the Exception Process, the "final release requirements" that SBC provided for LSOG 4 on November 22, 2000, was little more than a preliminary document to which SBC repeatedly made changes prior to implementation of the release. SBC never provided a complete and accurate set of LSOG 4 ordering and pre-ordering requirements with corresponding business rule documentation. In fact, SBC continued to issue clarifying information and additional requirements for LSOG 4 for several months *after* LSOG 4 was formally implemented in March 2001. SBC even issued additional sets of modifications to its LSOG 5 interface in January 2003 – nearly *two years* after the original implementation date

43. Although the impact on CLECs of SBC's exception-filled implementation of LSOG 4 is impossible to determine, the chaotic nature of the implementation undoubtedly discouraged CLECs from migrating to the new version. To the best of our knowledge, no CLEC ever entered production on LSOG 4.00, and the code remained essentially unused until SBC later implemented LSOG 4.01. In fact, CLECs experienced so many problems in coding to LSOG 4.01 and 4.02 that SBC was forced to extend the announced retirement of its "LSOG 1" version

[14] The Exception Process in SBC's 13-State CMP (like that in its predecessor, the 8-State CMP) permits SBC to make changes without complying with the agreed-upon regular notice requirements and time deadlines of the CMP. *See* Cottrell Aff., Att. N, § 6.3. The CMP, however, makes clear that this process was intended to be used only "occasionally," above and beyond "the need to handle emergency situations." *Id.* SBC constantly misused the Exception Process during its introduction of LSOG 4 to circumvent the timeline requirements of the CMP for the dissemination of documents. Such usage defeats the entire purpose of the CMP – ensuring stability of OSS development and stability to CLEC production systems and processes. Exceptions to the process create instability, increase the CLECs' costs of operation, and enhance the likelihood of errors.

(known as Issue 7) from March 2002 until October 2002 to give CLECs adequate time to resolve problems in attempting to upgrade to LSOG 4 and LSOG 5.

44. SBC's implementation of LSOG 5 in March 2002 was equally inconsistent with the timeline requirements of the CMP, and reflected the instability of its OSS. Although the LSOG 5 release had originally been scheduled for implementation in November 2001, SBC did not implement it until April 2002, after obtaining two extensions of the implementation date. Although SBC now asserts that it requested a second extension because of "the complexity of the release and the number of changes requested" (Cottrell Aff. ¶ 231), SBC did not request the extension until days before the scheduled implementation date – and represented to AT&T at the time (March 2002) that its own testing of the release had uncovered major systems problems. The fact that SBC waited until almost the eve of the scheduled implementation to request an extension suggests that SBC failed to conduct adequate internal testing of the release until the last minute. Such an approach is contrary to any sound testing practice.

45. SBC also continued to abuse the exceptions process of the CMP in implementing LSOG 5. Attachment 1 hereto summarizes all of the "exceptions" and corrections to documentation that SBC has made to its LSOG 4 and LSOG 5 releases through January 2003. Many of the individual items in Attachment 1 involved literally hundreds of changes to the LSOG 5 documentation. Indeed, the latest LSOG 5 documentation corrections to the purportedly "final" requirements were distributed on June 12, 2002, nearly two months *after* the release.

46. SBC's misuse of the Exception Process, and its frequent issuance of "updates," was obviously necessitated by other fundamental flaws in its OSS: (1) the serious

deficiencies in the documentation that SBC provides to CLECs; and (2) its failure to conduct sufficient internal testing prior to implementing the release. For example, between August 2001 and August 2002, SBC issued *1,033 pages* of revisions to LSOG 5.00. Prior to the end of the Uniform Plan of Record collaborative sessions, SBC made corrections to its documentation *in more than 175 instances*. The number and frequency of these corrections clearly reflects a lack of quality control, inadequate internal testing, and a failure to dedicate the resources necessary to ensure that the release would be implemented smoothly and efficiently.

47. The third-party OSS testing conducted by BearingPoint confirmed the inadequacy of the LSOG 4 documentation that SBC provided to CLECs. BearingPoint's Test CLEC encountered significant problems in attempting to develop and implement its EDI LSOG 4 interface because of the poor quality of the LSOG 4 documentation. BearingPoint reported 75 instances in which the Test CLEC could not rely on the documentation or, to the extent that it did rely on the documentation, the results were inconsistent or incorrect. A description of the documentation problems encountered by the Test CLEC is attached hereto as Attachment 2.

48. These documentation problems, like SBC's constant invocation of the Exception Process, clearly disrupted the CLECs' attempts to make the modifications necessary to prepare for implementation of the LSOG 4 and LSOG 5 releases. The fact that few CLECs have migrated to LSOG 5 can only be attributable to the fear of CLECs that migrating to the new version may disrupt their operations. CLECs would ordinarily have a powerful incentive to migrate to LSOG 5, which is not only the most recent version but also (according to SBC) will process greater volumes of order types more efficiently and support a broader set of products and services. Having witnessed SBC's misuse of the Exception Process and the poor documentation

that it issued for LSOG 5, many CLECs have obviously concluded that any benefits they might derive from migrating to LSOG 5 are currently not worth the risk.

49. The instability of the Ameritech OSS has not changed. As previously described, SBC's OSS in the Ameritech region still remain the worst of any RBOC – and even the worst of any of SBC's regions. As described below, despite the purported efforts of SBC to improve the Ameritech OSS, the performance of the OSS declined beginning in the last quarter of 2002.

III. RECENT EXPERIENCE CONFIRMS THAT SBC'S OSS FAIL TO PROVIDE NONDISCRIMINATORY ACCESS.

50. SBC contends in its Application that its performance in recent months, as described in the three most recent months of performance data available at the time it filed its Application, shows that it is providing nondiscriminatory access to its OSS.[15] As AT&T's experience demonstrates, however, recent experience starkly demonstrates the inadequacy of SBC's OSS. During the months preceding the filing of SBC's Application, numerous problems occurred with the OSS, constantly impeding AT&T's ability to use the OSS and to submit orders successfully. Serious problems have continued to occur in the OSS even *after* SBC filed its Application. Given these circumstances, SBC is clearly not providing the parity of access that the Commission, and the 1996 Act, require.

[15] *See, e.g.*, Application at i; Affidavit of James D. Ehr, ¶¶ 21, 37. SBC included with its Application the performance data that it had reported for the months of September, October, and November 2002. Application at i. However, subsequent to the filing of its Application, SBC filed performance data for December 2002 with the Commission. *See ex parte* letter to Marlene H. Dortch from Geoffrey M. Klineberg, dated January 24, 2003.

51. During the past several months, deficiencies in the OSS caused the rejection of numerous AT&T orders and otherwise substantially disrupted AT&T's operations. These problems included: (1) rejection of approximately 15,000 orders due to erroneous "L100/101" (PIC/LPIC Already Working) error messages; (2) rejection of at least 10,000 AT&T orders because of inadvertent (and unannounced) changes by SBC to EDI formatting; (3) erroneous rejections of 15,000 AT&T orders by SBC, which cited error code "G408" (Invalid Trailing Data for Pay Per Use Blocking and Custom Ring Features); (4) rejection of approximately 2,800 orders due to SBC's incorrect application of LSOG 5 edits to LSOG 4 orders; and (5) the inability of AT&T to read line loss notifiers on approximately 3,000 accounts, due to SBC's failure to update its tables. These problems affected a significant percentage of AT&T's order volumes in this period. And even the number of orders do not reflect the true impact on AT&T. There were also recent problems with the unavailability of the CORBA interface which caused untold numbers of lost sales, SBC's failure to send tens of thousands of Billing Completion Notices, and rejection of approximately 800 small business customer orders due to erroneous changes to the mapping of critical hunting information.

A. Pre-Ordering

52. SBC still fails to provide nondiscriminatory access to pre-ordering functions. During the third quarter of 2002, outages significantly increased on SBC's CORBA interface, which is the interface used by AT&T to perform pre-ordering functions. In contrast to July and August, when no SBC-caused outages occurred on CORBA, CORBA experienced outages from October through December that frequently rendered AT&T unable to perform some, or all, pre-ordering functions. Attachment 3 shows the number of Impacted User Minutes ("IUMs") for each month since January 2002. IUMs measure the amount of time during which

AT&T representatives are unable to access the CORBA interface while they are on-line and attempting to assist end-user customers. IUMs represent the number of minutes during which a function or interface is unavailable, multiplied by the number of AT&T representatives who were logged onto the system.

53. The number of IUMs due to CORBA outages increased from zero in July and August to 11,845 in October, 9,470 in November, and 8,733 in December. The volumes of IUMs for the last three months of 2002 are higher than those for any of the preceding nine months of the year. Indeed, in these three months alone, the CORBA interface was unavailable for almost 500 user hours. This is completely unacceptable performance. Indeed, it is not asking too much to expect SBC to have no IUMs at all. As Attachment 3 shows, in six of the first nine months of 2002, there were in fact *no* IUMs.

54. The increase in outages on CORBA, by itself, has impaired AT&T's ability to submit orders expeditiously to SBC. The accurate completion of an LSR requires AT&T to use the address validation function and the customer service query function of the pre-ordering interfaces. When outages occur, AT&T cannot retrieve customer information using these functions. Thus, as the result of an outage on CORBA, either AT&T will lose the customer's business (because the customer is unwilling to wait until access to the OSS has been restored to place the order) or provisioning of the customer's service may be delayed, again to the annoyance of the customer. Explaining to prospective or existing customers that the information needed to complete their order is currently inaccessible due to computer problems is obviously a poor use of a representative's time, to say the least. Moreover, AT&T suffers lost

productivity for every minute in which customer service representatives sit idle because the interface is unavailable.

55. Significantly, not all of these outages are reflected in SBC's performance measure data. The metric for pre-ordering outages only measures those intervals for which the interface is unavailable for all CLECs. Some outages only affect one CLEC or a small number of CLECs, as when SBC's AT&T-specific server goes down. In addition, the measure does not capture those instances in which only certain queries become unavailable, as opposed to the entire interface. Nevertheless, the impact to AT&T is the same as if there were a complete outage because it cannot place orders if only some, but not all, of the pre-ordering queries are available to it.

56. The instability of SBC's CORBA during the fourth quarter of 2002 stands in striking contrast to pre-ordering interfaces offered by other RBOCs. For example, AT&T experienced no LEC-caused outages in the Verizon region during the same period. Although AT&T experienced some outages with BellSouth during this time, the IUMs attributable to those outages were little more than 15 percent of those experienced in the Ameritech region. *See* Attachment 3.

57. Although the loss of pre-ordering connectivity and functionality illustrates the instability of the OSS, that is not the only serious pre-ordering problem recently experienced by AT&T. On January 22, 2003, AT&T service representatives using CORBA found that they were unable to retrieve CSRs when they were attempting to fill orders for customers in Michigan and Ohio. More than 300 end-user accounts were affected. Upon investigation, AT&T found

that SBC's OSS had dropped zip codes from the CSR – which, under SBC's Local Service Pre-Ordering Requirements, is a required field when performing a CSI (CSR) transaction.

58. When AT&T raised the issue with SBC personnel, they responded that SBC had "identified a fix" – but that the fix would not be implemented until sometime during *February*. This timetable was clearly unacceptable to AT&T, because its inability to access CSRs effectively precluded it from completing customer orders – and raised the risk that provisioning of service to the customer would be delayed (or that AT&T would lose the customer's business altogether).

59. For these reasons, AT&T attempted to escalate the issue and request that the implementation of the fix be accelerated. However, when AT&T contacted SBC's IS Call Center, the Call Center responded that AT&T should contact its OSS Account Manager instead. On January 24, the Account Manager advised AT&T that SBC had identified a "fix" and was about to undergo testing. However, the Account Manager was unable to specify when the fix would, in fact, be implemented. The promised fix was not implemented until January 29 – one week after AT&T reported the problem to SBC.

60. Although SBC has not described the root cause of the problem, the inability of AT&T's representatives to retrieve CSRs can only be due to the instability of the OSS. Because this problem occurred so suddenly, it is likely that it resulted because SBC, once again, made changes in its OSS without providing advance notice to CLECs. Even if changes in the OSS did not precipitate the problem, this additional failure only further demonstrates the unreliability of SBC's systems.

B. Ordering and Provisioning

61. SBC's EDI ordering interface and systems for processing CLEC orders also remain unstable. System errors by the OSS have seriously disrupted literally tens of thousands of AT&T's orders alone in recent months. Although different in their immediate causes, many of these errors are the result of SBC's failure to comply with change management requirements as it attempts to fix its faulty systems.

62. **The L100/101 (PIC/LPIC Already Working) Problem.** Beginning on November 25, 2002, AT&T began receiving unexpected error messages ("L100/101"), because SBC had changed the rules for populating certain fields relating to PIC and LPIC on the LSR without giving advance notice of the change to CLECs. Ironically, SBC made these modifications in an effort to satisfy certain Observations that BearingPoint had issued in its test of the OSS. And, in the case of all of the other changes that it made in its OSS to satisfy the Observations and Exceptions issued by BearingPoint, SBC changed the rules for the PIC/LPIC fields without providing advance notice to AT&T.

63. Although the problem created by this change should have been relatively simple for SBC to correct, the events that transpired after its discovery illustrate the unstable condition of the OSS and SBC's inability to fix OSS problems effectively. As the following chronology demonstrates, SBC's error caused the rejection of *15,000* AT&T change orders within the space of only four business days, but took far longer for SBC to resolve.

Date	Day Number in Issue Resolution Cycle	Description of Event
11/25/02	1	AT&T opened a trouble ticket with SBC after approximately 2,500 orders were rejected.
11/26/02	2	After AT&T escalated the problem to SBC's Vice President for OSS, SBC acknowledged that it had made the change to correct a deficiency found by BearingPoint, and agreed to implement a "hot patch" by mid-day on November 27.
11/26/02	2	AT&T agreed, at SBC's request, to supplement the rejected orders (which, by now, numbered over 5,000), rather than wait for SBC to manually "un-reject" them. AT&T based its decision to supplement the orders on a number of factors, including the lengthy time that SBC likely would have taken to "un-reject" the orders, the scheduled holiday outage, and the need to clear the backlog of rejected orders before AT&T's Consumer Services division converted to LSOG 5 in early December 2002.
11.27/02	3	SBC installed its promised "hot patch." AT&T then successfully submitted supplemental orders for 20 of the rejected orders, and received 20 firm order confirmation notices. AT&T advised SBC that it would send supplemental orders for the remaining orders later that same week.
11/29/02	5	AT&T attempted to supplement approximately 10,000 orders.
11/30/02	6	AT&T supplemented the remaining 5,000 orders.
12/2/02	8	AT&T determined that it had received no responses from SBC to the 10,000 orders that it had supplemented on November 29. When AT&T contacted SBC, SBC responded that AT&T would be required to re-submit the 10,000 supplemental orders because SBC's interface was not available on 11/29/02, the date of a scheduled holiday outage which SBC and AT&T failed to discuss when they set the schedule for submitting orders. Although AT&T made preparations to re-send the 10,000 supplemental orders, AT&T was unable to persuade SBC's OSS representatives to accept more than 2,200 orders per hour. Thus, SBC's systems became unavailable even before AT&T had re-sent all of its orders.

12/3/02	9	AT&T supplemented the remaining 2,000 rejected orders at 8:00 a.m. Later that day, AT&T determined that it had received acknowledgments, but *no* FOCs or reject notices, for any of the supplemental orders submitted since before the holiday shutdown.
12/4/02	10	After lengthy discussions between AT&T and SBC representatives, SBC determined that it had unknowingly changed the field delimiters on AT&T's LSOG 4 trading partner ID, rather than the LSOGs trading partner ID, while preparing for AT&T's upgrade to LSOG 5.[16] SBC assured AT&T that this problem had been fixed immediately, and that SBC would re-send the notifications if AT&T called its help desk in the morning. However, SBC could not or would not commit to a start or end time to re-send the transactions.
12/5/02	11	SBC advised AT&T that it had not actually made the "fix" relating to the trading partner ID problem until 9:00 a.m. that same morning (December 5). By that time, SBC had inexplicably sent 41 files that were *still* formatted incorrectly. SBC promised to re-send all notifications by 11:00 p.m. that night.
12/6/02	12	AT&T finally received all missing FOCs for affected orders.

64. This chronology shows that even a simple error can "balloon" to calamitous proportions when the underlying systems and processes are as unstable and prone to error as those of SBC. Before the problem was finally corrected, AT&T and SBC were involved in a twelve-day odyssey involving missed deadlines, "fixes" that did not work, incorrectly-supplied information, the need for AT&T to submit thousands of supplemental orders (only to see those orders delayed), and the commission of new errors by SBC that compounded the problem.

[16]The "trading partner ID is the means used by SBC to identify the EDI gateway over which the order is being placed.

65. **SBC's Change To EDI Formatting (LSOG 4 to LSOG 5).** While AT&T was attempting to resolve the L100/101 problem with SBC, SBC made another mistake that affected AT&T's ability to successfully submit orders. At the time, AT&T was implementing a joint plan with SBC to allow AT&T Consumer Services to migrate from the LSOG 4.02 interface to LSOG 5.02. As previously indicated, on December 2, 2002 – before AT&T's scheduled transition to LSOG 5.02 – SBC (apparently inadvertently) made certain changes to the trading partner ID associated with AT&T's then-current LSOG 4.02 interface. These changes effectively rendered AT&T's interfaces useless, because SBC was sending status notices (such as FOCs) formatted in a protocol that was inconsistent with the interface that was actually in production. As a result, AT&T could not receive such status notices for any of its pending orders, including approximately *10,000* of the 15,000 AT&T orders that were already impacted by the L100/101 problem, as well as other orders awaiting notifications (*i.e.*, FOCs and rejection notices) on December 2-4, 2002.

66. Thus, in addition to experiencing rejections on the 15,000 orders originally submitted, AT&T also failed to receive status notices for two-thirds of the 15,000 supplemental orders that AT&T was resubmitting during the same period as the L100/L101 issue. By December 4, 2002, AT&T had resubmitted nearly 12,000 orders to correct the L100/101 problem. However, SBC's change in AT&T's trading partner ID status, and thus the EDI formatting rules, precluded AT&T from receiving confirmation that these resubmitted orders had been accepted by SBC's systems.

67. SBC's response to the formatting problem was inadequate. As previously noted, SBC initially advised AT&T that it had fixed the trading partner ID error "on the spot."

This turned out to be untrue because, as SBC later admitted, the "fix" did not occur until 9:00 a.m. on the following day. By that time, however, SBC had already inexplicably re-sent 41 files of order notifications (FOCs and rejection notices) which, because of SBC's failure to update the trading partner ID, were formatted improperly and could not be processed.

68. SBC's change in the trading partner ID is disturbing not only because it was erroneous and unannounced, but also because it was made in connection with a change that SBC *did* intend to make *without notifying AT&T in advance.* When AT&T asked SBC to provide the cause of the problem, SBC responded that it "only" had intended to make certain modifications to AT&T's LSOG 5.02 trading partner ID. Prior to that time, however, SBC had not indicated to AT&T that it intended to modify any of the attributes of AT&T's trading partner ID for LSOG 5.02 before AT&T migrated to that version – even though AT&T and SBC had conducted and completed joint testing of LSOG 5.02 (during which one would have expected SBC to mention this forthcoming change). Instead, AT&T discovered SBC's intentions solely by chance.[17]

69. **The "Working Service In Conflict" Issue.** A "Working Service In Conflict" ("WSIC") issue arises when a CLEC requests new service (usually an additional line) at an established customer location that is already being provided with local exchange service. *See* Cottrell Aff. ¶ 196. Where working service exists, the LEC needs to confirm whether the

[17] Although AT&T was aware that a new trading partner ID would be introduced *coincident with* AT&T's move to LSOG 5.02 production on December 9, 2002, AT&T did not know that SBC would perform any such work *in advance of* the actual implementation date. This incident illustrates the capricious nature of SBC's changes to its OSS insofar as CLEC interfaces are concerned.

existing service has been abandoned, or whether the new service should be provisioned as an additional line rather than as primary service. *Id.*

70. On July 24, 2002, and August 20, 2002, SBC issued two Accessible Letters announcing that a new WSIC process would become effective on August 30, 2002. That effective date was only *five weeks after* the first Accessible Letter was sent to CLECs, which is far less time than the 110 to 130 days' advance notice that is required for an interface change. *See* Application, App. H., Tabs 31-32. SBC's July 24th Accessible Letters advised CLECs that, when a CLEC's UNE-P "new" installation orders showed "working service" at the service address, such orders would be automatically issued a FOC and then, in effect, would be placed in a jeopardy status.[18] Under the new process, SBC would then fax a paper form (known as a "WS1A" form) to the CLEC. Upon receipt of the faxed form, the CLEC would be required to research the status of existing service at the customer's address, and then supplement the original order with additional information, before SBC proceeded to provision the original order.

71. By providing little more than one month's notice of the new process, SBC plainly violated the advance notice requirements of the CMP[19] The change was a systems

[18] It was AT&T's understanding, however, that SBC could not mechanically transmit a jeopardy notice to CLECs which, like AT&T, were then operating under LSOG 4.02, As a result, all of these orders would escape detection in the performance measures intended to track jeopardy notices and delayed orders.

[19] In both of its Accessible Letters, SBC stated that it "reserve[d] the right to make any modifications to cancel the above information any time provided that sufficient notice has been provided." Application, App. H, Tab 31 at 2 & Tab 32 at 2. SBC, of course, would unilaterally decide what notice was "sufficient." Furthermore, although SBC had advised CLECs in the July 24th Accessible Letter that the new process would become effective on August 30, it still had not even provided CLECs with details of the process when it sent its second Accessible Letter on August 20 --10 days prior to the effective date. *Id.*, App. H, Tab 32 at 2 (stating the new process would be available on SBC's website "by August 30, 2002").

change within the scope of the CMP, because it specified changes to the LSR (by requiring CLECs that received a WS1A form to investigate and supplement the order with certain text in the remarks block of the LSR).[20] To implement these changes, AT&T would have been required to make coding changes in its own systems.

72. SBC has asserted that the new WSIC process was simply a "process change" that was discussed with the CLECs in the CLEC User Forum, and was not subject to the CMP. *See* Cottrell Aff. ¶ 196. SBC's rationalization is specious. The new WSIC was a systems change for which SBC was required to provide notice in accordance with the requirements of the CMP.[21]

73. SBC's announcement of the new process on one month's notice had a disruptive effect on CLECs. For example, the new process assumes that the CLEC already had the capability to supplement a FOC'd order when no mechanical jeopardy notice had been received, even though this capability had never previously been discussed in the Change Management Forum, or any other forum. AT&T's systems, for example, had not been designed to include this capability. Instead, AT&T had designed its systems on its assumption (and on the

[20] For example, if the CLEC wished to request an additional line for the customer, it was required to insert the applicable Field Identifier ("FID") of "ADL," enter the words "Request Additional Line" in the Remarks section of the LSR, and populate two specific fields in the LSR. *See* July 24th Accessible Letter at 2 (Application, Tab H, Tab 31). If the customer had abandoned service, the CLEC was required to enter in the LSR's Remarks section the words "Abandoned Service as per WS1A form to disconnect telephone number." *Id.*

[21] Indeed, SBC states in its Application that it *does* intend to comply with the CMP in implementing a mechanized jeopardy notification for WSIC which will replace the current fax notification process. *See* Cottrell Aff. ¶ 196. If (as SBC effectively admits) this new procedure is a systems change subject to the CMP, SBC cannot consistently assert that the current procedure is not.

underlying premise of the interfaces designed by SBC) that SBC would mechanically return notices in response to orders sent through its electronic interfaces.

74. SBC's implementation of its new process was also disruptive because it involved manual processes on both SBC's part as well as the part of the CLEC (the faxing and handling of the paper WS1A forms), thereby increasing the likelihood of errors and delays in provisioning the customer's order. Apparently attempting to defend its failure to provide adequate notice, SBC rationalizes that the new process provides CLECs "with notice in a manner that allows for the resolution of any existing conflict so that service is either correctly installed as an additional line or abandoned service is disconnected and the facilities re-used." Cottrell Aff. ¶ 196. Since the new process was implemented, however, SBC has sent numerous notices in error, obviously as a result of the manual procedures used by SBC. During the first month after the process was implemented, AT&T received more than 2,000 faxed WS1A forms – 800 of which, SBC subsequently acknowledged, had been sent in error. Between August and October 2002, more than *5,000* of AT&T's orders were delayed or held as a result of the new process. Because of the delays, AT&T received complaints from many customers, some of whom cancelled their service.

75. The anticompetitive consequences of SBC's WSIC-related errors did not end in October 2002. As of last week, AT&T learned that SBC had neglected to complete the provisioning of approximately 500 TNs associated with the original September – November backlog. The long SBC-caused delay has meant that AT&T, to avoid potential accusations of "slamming," has had to begin calling each of these customers who ordered service from AT&T late last summer, and whose order SBC has held up for months. The needless expense,

reputational harm, and obstruction of AT&T's ability to compete that this one error alone has caused is manifest.[22]

76. These adverse consequences would not have occurred if SBC had presented its proposed change through the CMP process, where the full consequences of its systems change would have been reviewed.[23] Like other instances when SBC has failed to provide proper advance notice to CLECs, neither SBC's failure to comply with the CMP in implementing the new WSIC process, nor the adverse impact that CLECs experienced as a result, was captured in SBC's reported performance data.

77. **Erroneous "H325" and "B103" Rejections: SBC's Failure To Implement Sound Practices and Controls on Its OSS Software.** During November and December 2002, over 2,800 of AT&T's orders were rejected in error by the OSS because SBC had failed to implement sound practices and controls on its OSS software. Starting on November 18, 2002, AT&T began receiving rejection notices with the error code H325, which signifies that the order contained more telephone numbers than the applicable Customer Service Record. The orders, however, contained no such error. It appears that SBC rejected the orders because it was improperly applying LSOG 5 edits to LSOG 4 orders.

[22] AT&T believed that all orders had been provisioned, but was continuing to follow up with SBC regarding missing or delayed SOC notices.

[23] SBC cites the results of the BearingPoint OSS test as confirmation that its performance has been consistent with the requirements of the CMP. *See, e.g.*, Cottrell Aff. ¶ 212. The BearingPoint test, however, appears to have captured data from only a short time period and therefore does not reflect the full extent of SBC's actual performance (or nonperformance) under the CMP. Moreover, BearingPoint's own Test CLEC advised CLECs that it did not consider the issue of SBC's compliance with the CMP to be within the scope of its work.

78. The "H325 error" affected approximately 1,000 AT&T orders. Because SBC implemented a "fix" to the problem on November 19, 2002 (the day after the problem was reported to SBC), AT&T chose not to supplement the orders and requested that SBC lift the reject status on these orders.[24] However, SBC failed to lift the "reject" status on 470 (nearly half) of the rejected orders for nearly a month – thereby delaying provisioning of service to these customers by weeks.

79. SBC's improper application of LSOG 5 edits to LSOG 4 orders led to yet another serious order rejection problem. In November, AT&T began receiving hundreds of rejection notices with error code B103 (Invalid Listing Type: Non-Published, Non-Listed). The listing types covered by error code B103, however, are relevant only in the LSOG 5 version of EDI – a version to which AT&T had not yet migrated. Almost 1,900 AT&T orders were affected by this mistake.

80. Although AT&T opened a trouble ticket for this problem with SBC on November 26, 2002, SBC did not finally implement a systems fix for this error condition until December 13, 2002. In the meantime, the order rejections due to the B103 code continued to accumulate. Although SBC did not request that AT&T "supplement" the rejected orders, AT&T felt compelled to submit supplemental orders for some of the rejected orders, because they had been awaiting provisioning for weeks and SBC had been unable to provide an estimated

[24]The fact that SBC implemented the "fix" the day after AT&T reported the problem is no indication of its responsiveness to reports of OSS problems. At the time AT&T informed SBC of the H325 problem, SBC indicated that several other CLECs had *already* reported the problem. SBC, of course, did not advise AT&T when it was informed of the problem; it simply allowed AT&T to learn of the problem by experiencing it – through order rejections.

completion date. As of December 10, 2002, however, the majority of the rejected orders still awaited action, even though SBC indicated that it would "lift the reject status on them.

81. Only on December 17, 2002 – *21 days* after AT&T first raised the issue with SBC – did SBC finally begin the process of "clearing" (un-rejecting) the remaining rejected orders. At that stage, more than 1,000 of the rejected orders were still pending. SBC did not explain why it had taken so long to begin the "un-rejection" processes. By January 3, 2003, 81 of the rejected orders – some of which had been pending for well over a month -- *still* had not been "un-rejected" by SBC. SBC did not clear the last of the rejected orders until January 10, 2003, or 45 days after AT&T first opened a trouble ticket.

82. **Erroneous Rejections of Orders on the Basis of "G408" Error Code (Invalid Trailing Data for Certain Features).** Beginning in September 2002, SBC's OSS erroneously rejected approximately 15,000 of AT&T's orders, returning a "G408" error code. This incident – which involved two major successive errors by SBC's OSS – illustrates SBC's refusal to provide advance notice of systems changes and its inability to correct errors efficiently and expeditiously. It also illustrates the adverse impacts that such problems have on AT&T, including confusion, the costs of investigating and (if necessary) modifying AT&T's systems to make them consistent with the unannounced change, and delays in the provisioning of customers' orders.

83. AT&T's 15,000 orders were rejected because SBC failed to provide AT&T with advance notice of a change that SBC made in its EDI coding that affected orders with multiple feature types, thereby causing the AT&T orders to be rejected. Specifically, on September 19, 2002, SBC – without previously advising AT&T – changed the EDI coding to

eliminate certain spacing requirements for such orders. One example of the types of orders affected by this change was an order to add a feature known as Call Forward Busy/No Answer Number and Ring Count, which was the feature ordered on all of the 15,000 orders in question. Prior to SBC's change, the information required to submit the order was sent as "EVD," followed by a space, and then followed by the customer's telephone number and a backslash (/) that denoted the ring count variable. Thus, the information would be stated as "EVD 12345678910/4."

84. Apparently, on September 19, SBC changed its coding to eliminate the space in the required information. Because it had not received notice of the change, however, AT&T submitted approximately 15,000 orders in September and October in the same format that it had used, successfully, for the same types of orders in the past. SBC's OSS rejected these orders precisely for that reason.

85. Not knowing the reason for these order rejections, AT&T opened a trouble ticket with SBC, and also requested that SBC's Account Team investigate the matter. SBC, however, did not know how AT&T could quickly "undo" the effects of the change. Initially, SBC could not even determine (much less provide) the root cause of the problem. Therefore, in an attempt to resolve the problem quickly, AT&T attempted to implement coding changes in its own EDI gateway and then re-send the orders as supplemental orders. AT&T believed that this was the only method by which it could ensure that the orders would be processed successfully and that provisioning would not be delayed further. Nonetheless, provisioning of these orders was delayed by *as much as a month* before the problem was finally resolved.

86. AT&T performed its coding changes on October 21, 2002, but its task was made more difficult by deficiencies in SBC's documentation. Although the business rules for populating feature details are documented in both the USOC Search Tool and the 13-State Data Validation File (both of which are on SBC's website), the two sets of rules were inconsistent. The Data Validation file indicated that AT&T's coding was correct, but the USOC Search Tool did not. SBC, however, did not respond adequately to the problem. AT&T was required to escalate the documentation issue to SBC's Vice President of OSS before it was able to obtain a clarification regarding which of the two sets of business rules was correct. Even after SBC finally agreed to provide the clarification, it took over one week to provide a response.[25]

87. Unfortunately, this problem was only the first of two "G408" errors committed by SBC. The second error became evident when AT&T attempted to submit 800 of the 15,000 resubmitted orders that had previously been rejected. This time, AT&T submitted the orders with the space removed between the "EVD" and the telephone number on the LSR. Nonetheless, SBC incorrectly rejected all 800 of the resubmitted orders, again using a "G408" error code.

88. The second "G408" error was somewhat different in nature from the first error, in that it involved features known as Pay Per Use Blocking and Custom Ring (as opposed to the previous error, which related to Call Forward/Busy). However, the second G408 error

[25] On November 13, 2002, AT&T learned, for the first time, that another CLEC had opened a Defect Report (DR 59661) for G408 errors. Although SBC had previously agreed in the CMP to post open DR's on its web site as a tool to advise the CLEC community about reported problems, it had not done so (or included the DR in its open DR report) at the time AT&T learned of the other CLEC's DR. This is but another example of SBC's failure to provide notice in accordance with the requirements of the CMP.

had the same root cause as the first: SBC's implementation of a change in its interface code without notice (advance or otherwise) to AT&T.

89. As was the case with respect to the first G408 error, SBC was unresponsive to AT&T's request for an explanation for the rejection of the 800 supplemental orders. AT&T was required to escalate the matter, once again, to SBC's Vice President of OSS Operations, who clarified, once again, that SBC's documentation for Per Use Blocking and Custom Ring was in error. When AT&T requested that SBC reverse, change, or relax the edits that were now causing rejections of the resubmitted orders, SBC indicated that it was *unable* to do so – and that it could not even research other options until after it implemented a system conversion from LSOG 5.01 to LSOG 5.02 during the weekend of November 9, 2002. To minimize any further delays in provisioning to its customers beyond that which had already occurred because of the first G408 error, AT&T reluctantly chose – once again – to change the code on its own interface and supplement the newly-rejected orders

90. Thus, on two occasions SBC rejected substantial volumes of AT&T's orders, using the same error code, and for the same basic reason: SBC's failure to provide advance notice to AT&T. On both occasions, SBC was unwilling or unable to resolve the matter in an expeditious, satisfactory manner. Instead, AT&T found it necessary to modify its own systems, and to supplement the rejected orders, in other to prevent further delay in the installation of service to its customers.

91. **Failure to Send Billing Completion Notices.** In January 2003, due to defects in its OSS, SBC failed to send tens of thousands of billing completion notices ("BCNs")

to AT&T in response to orders that AT&T sent via the LSOG 5 version of EDI.[26] Thousands of these BCNs involved orders for AT&T's customers in Michigan.[27]

92. The failure of SBC to send BCNs limits AT&T's ability to meet its customer's needs. A BCN confirms that an LSR submitted under LSOG 5 has completed its journey through SBC's legacy systems, and that the customer's account has been transferred to AT&T. Until it receives a BCN, AT&T must assume that SBC's systems still list the customer as an SBC customer.[28]

93. Because it needs a BCN to confirm that the end-user is now treated by SBC's OSS as an AT&T customer, AT&T is effectively unable to send a subsequent order on

[26] SBC sends billing completion notices (also known as "post to bill" completion notices) only in response to orders submitted by CLECs who use the LSOG 5 version of the EDI ordering interface. Thus, for example, CLECs using LSOG version 4.02 do not receive a BCN, although they do receive a service order completion notice ("SOC"), which advises them that the requested service has been physically completed. In contrast to a SOC, a BCN advises a CLEC that the information in the service order has completed its transmission through SBC's legacy systems, and that the service order has been posted to SBC's billing systems (thereby switching the customer's account to the CLEC placing the order).

[27] SBC and AT&T disagree as to the precise number of missing BCNs. The volume calculated by SBC is much lower than that calculated by AT&T. The parties are currently attempting to reconcile the discrepancy. When AT&T requested SBC to provide its figure for the number of unsent BCNs, SBC provided a figure on February 5, 2003 – only to advise AT&T later the same day that the figure was incorrect.

[28] Prior to its migration to LSOG 5 (the only version on which SBC sends BCNs), AT&T Consumer Services ("ACS") assumed that the LSR would not be posted to SBC's billing system for an additional three to five business days after ACS received a SOC. Such an assumption was necessary because of the possibility that the service order might fall out for manual processing in SBC's legacy systems after SBC had transmitted the SOC to AT&T. Yet even this assumption was imprecise, because orders might be delayed for weeks in SBC's back-end legacy systems without the CLEC's knowledge (for example, due to manual processing). The BCN was designed to give CLECs a definitive confirmation that the order had completed its passage through those systems. Indeed, CLECs requested that SBC provide BCNs – which have been adopted as industry standards by the Ordering and Billing Forum – during the Commission's Plan of Record collaborative sessions.

the same end-user's account until it receives the BCN for the preexisting order that it submitted to SBC. For example, if AT&T submits an LSR and the end-user later notifies AT&T that he/she wishes to add a feature or product that he/she inadvertently failed to include when the end-user previously ordered service from AT&T, AT&T cannot submit an order to add that feature or product until it has received the BCN. If AT&T attempted to submit the "add" order before it received the BCN, AT&T would likely receive an error message (rejection notice) stating that "This is not an AT&T customer." [29]

94. The submission of a subsequent order on an end-user's account is a common practice in the industry. Customers often contact AT&T to request additional features that they inadvertently did not include in their original order or service, or later decided to add to the services that they previously requested AT&T to provide. Alternatively, after placing its initial order, the customer might request AT&T to delete a feature that the customer ordered (because the customer changed his or her mind), or to terminate the service altogether (because the customer decided to migrate to another carrier). At any given time, AT&T typically has approximately [*****] supplemental change orders that are pending (*i.e.*, are awaiting receipt of

[29] The Provisioning Order Status ("POS") query functionality offered by SBC is not a suitable substitute for a BCN. *See* Cottrell Aff. ¶¶ 117, 120. In the first place, SBC admits that the POS query provides the current provisioning status "for pending (*not posted*) service orders or the dispatch status of service orders." *Id.* ¶ 120 (emphasis added). Thus, the POS query would not indicate that a service order has been posted. Furthermore, even if it provided the same type of confirmation as the BCN, the POS query – which is a functionality in SBC's pre-ordering interfaces – is not a practical order tracking tool for CLECs which, like AT&T, submit large order volumes, because the CLEC would be required to expend significant manual efforts to match information in the GUI to the status of orders in AT&T's own order management system. If (as occurred in January 2003) AT&T failed to receive tens of thousands of BCNs, it would be extremely expensive and time-consuming for AT&T to use the POS query to determine the status of each such BCN. Such a task would be unreasonably burdensome in any event. A CLEC using LSOG 5 should not be required to expend additional time and resources to obtain the same information which SBC agreed to provide through BCNs in LSOG 5.

a BCN before they can be submitted). These change orders represent approximately [*** percent] of all of AT&T's accounts.

95. In order to be competitive with SBC, a CLEC needs the same ability as SBC to submit change orders, and to have those orders provisioned with the same timeliness, accuracy, and reliability that SBC experiences in its retail operations. The failure of SBC to send a BCN, however, puts CLECs at a significant competitive disadvantage. Unlike CLECs, SBC's retail operations do not need to receive BCNs to determine whether an order has posted to the billing systems and completed its journey through the legacy systems. SBC's retail representatives have direct, real-time access to such information. Thus, when a retail customer requests the addition or deletion of a feature, the SBC retail representative can determine, while the customer is on the line, whether the preexisting order has posted and has passed through the legacy systems. As a result, SBC can implement the customer-desired change on the date requested by the customer.

96. By contrast, the failure of SBC to provide a BCN is likely to force a CLEC to delay the submission of a subsequent order for an end-user, and the provisioning of the changes that the customer desired. Such delay not only inconveniences the customer, but harms the reputation for quality service that a CLEC needs to compete in the marketplace. Thus, if AT&T cannot add a service on the date that the customer requested, the customer is likely to question AT&T's ability to provide quality service – and may well switch back to SBC.

97. SBC acknowledged last week that its failure to send BCNs is a systemwide problem – and that the root cause of the problem was a flaw in the OSS. In an Accessible Letter dated January 29, 2003, SBC acknowledged that the "issue that prevented the

[billing completion] notifications from going out was related to a billing file not being generated properly." SBC stated that the problem had been "corrected as of January 24, 2003."[30] Because the "correction" was installed so recently, it is premature to conclude that it will eliminate the underlying OSS problem.

98. Even if SBC's "correction" works properly, its resolution of the problem evidences ongoing deficiencies in the OSS. First, SBC made its "fix" without providing any advance notice to the CLECs of the change that it was making in its OSS. Second, in addition to its failure to provide advance notice of its "fix," SBC waited for nearly *two months* before it advised the CLECs that a problem even existed. In its Accessible Letter, SBC admits that it "discovered on December 5, 2002 that it seemed not all [BCNs] were being distributed." *See* Attachment 4. SBC states that after this "discovery," it "continued to investigate the issue and did determine recently that a correction was required to ensure the process operated properly." *Id.* In other words, SBC grappled with a problem for 55 days before deciding that the CLECs should be told about it – even though SBC was undoubtedly aware of the adverse impact that CLECs would experience from missing or late BCNs.

99. Third, although SBC announced in its Accessible Letter that it was willing to provide the missing BCNs to CLECs, SBC had not even developed a process for providing the BCNs at the time it issued the Letter. After receiving the Accessible Letter on January 29, AT&T immediately notified SBC that it desired to have the missing BCNs transmitted starting on January 31, in batches not to exceed 1,000 BCNs in a single file and at a

[30] *See* Accessible Letter No. CLECAMSO3-008, dated January 29, 2003 (attached hereto as Attachment 4).

rate of one file every 30 minutes.[31] Although SBC agreed to transmit the BCNs at the rate requested by AT&T, it advised AT&T that it would be unable to transmit the BCNs on January 31. Instead, SBC stated only that "all indications are that the process *would be finalized* and the re-flow ready to begin" on Monday, February 3. Moreover, SBC stated that the process would be "manually intensive."[32] In other words, the transmission process that SBC promised had not even been fully developed, and would involve some level of extraordinary manual efforts by SBC.

100. Fourth, SBC's "offer" to transmit the BCNs reflects its continuing failure to provide CLECs with adequate assistance. Rather than simply contact the CLECs and arrange an acceptable time with them for the transmission, SBC's Accessible Letter placed the burden on CLECs to contact their Account Manager "to make arrangements" if they wanted to receive their missing BCNs. *See* Attachment 4. This approach is totally unreasonable, as the burden should not be on CLECs to request notifications that SBC is required to provide for orders placed under LSOG 5.

101. **Rejections Due To "H332" Errors.** In early January, SBC rejected three of AT&T's orders, citing error code H332 (Missing Value for Field Name/State). Because the

[31] *See* electronic message from Walter W. Willard to Thomas O. Himm, dated January 30, 2003 (attached hereto as Attachment 5); electronic mail message from Walter W. Willard to Janice Bryan, dated January 29, 2003 (attached hereto as Attachment 6). Re-flowing the files at a rate of one file every 30 minutes is a relatively conservative (*i.e.*, slow) rate. AT&T estimates that at this rate, SBC would have two business days to re-flow all of the BCNs that AT&T did not receive.

[32] Electronic mail message from Thomas O. Himm to Walter W. Willard, dated January 30, 2003 (attached hereto as Attachment 7) (emphasis added). Although SBC referred to the process as a "re-flow" process, in reality the BCNs were not being re-flowed, because SBC had never previously transmitted them.

error code did not seem applicable, AT&T opened a trouble ticket with SBC, which issued a Defect Report on January 15, 2003. When AT&T contacted SBC on January 20, 2003 as to the status of the DR, SBC responded that the DR was no longer on its DR report.

102. As of the date of this filing, AT&T is still awaiting a root cause explanation of the rejections from SBC. Because this error is occurring only on orders that it submits via EDI, AT&T's preliminary conclusion is that the root cause of the problem is yet another unannounced (and undocumented) change by SBC to its EDI interface that is causing SBC not to see the value that AT&T is sending in the "State" field of the LSR.

103. The elimination of the DR from the DR report, in theory, signified that SBC had fixed the problem – and that its OSS would no longer erroneously issue rejection notices based on code H332. However, when AT&T attempted to send three orders on January 20, one of them was *still* rejected on that basis. Since that time, AT&T has continued to experience such rejections on a daily basis. Although, as previously stated, AT&T has not been able to determine the cause of the rejections, it is clear that whatever "fix" SBC attempted has not resolved the problem. SBC's scheduled date for implementation of its "fix" for this problem is not until February 12, 2003.

104. **Rejections Due To Inability of the OSS To Read Hunting Information.** During the week of January 13, 2003, SBC rejected approximately 800 AT&T orders because its OSS were unable to read hunting information. Although SBC scheduled a "fix" for this problem on January 8, 2003, SBC did not meet that timetable, and AT&T was forced to escalate the matter because SBC was so slow in un-rejecting the orders. Based on the explanation provided to AT&T by SBC, it appears that the sudden inability of the OSS to read hunting information

was due to a human error that occurred when one of its personnel broke a link between the EDI interface and SBC's "test engine" while attempting to fix some other problem.

105. As a result of these erroneous rejections, provisioning of the orders was delayed beyond their original due dates. Because of its failure to provide timely FOCs and meet the original due dates on the orders, SBC would have been required to pay penalties of approximately $167,000 under its performance assurance plan.

106. **Rejections Due to LS6327 and G318 Error Codes.** In December 2002 and early January 2003, SBC returned rejection notices for approximately 395 of AT&T's orders with error messages LS6327 (RS-Feature ExREUC Invalid Value) or G381 (Not a Resalable USOC). These codes were plainly inapplicable to the orders. SBC provided no explanation for the errors. However, on January 3, 2003, SBC acknowledged that the rejections were erroneous. Although SBC fixed the defect on January 4, 2003, AT&T was required to supplement the orders.

107. **Erroneous Rejections of Orders Without Providing Error Codes.** In December 2002, SBC rejected several AT&T orders without providing an error code – leaving AT&T unable to determine why the rejections had occurred. When AT&T contacted SBC for an explanation, SBC replied that the rejections occurred because of an error in its web-LEX interface. SBC's explanation was illogical, because AT&T had submitted the orders via EDI – not via LEX. SBC further stated that AT&T should cancel the orders and *fax* them to SBC. Although SBC later fixed the problem, the incident further confirms the unreliability of its OSS.

C. Maintenance and Repair

108. Recent experience with SBC suggests that it is not providing CLECs with nondiscriminatory access to critical repair and maintenance functions. As is set forth in greater detail in the Moore/Connolly declaration regarding performance measurements and data integrity, AT&T recently requested and received raw data for a submeasure of PM 39 that measures mean time to repair UNE-P troubles. Thus far, AT&T has received three conflicting sets of raw data, the most recent of which purports to show that SBC has excluded 49 percent of AT&T's trouble tickets. While AT&T has serious doubts about the integrity of this data because of the discrepancies between the raw data versions, the magnitude of the exclusions strongly suggests that SBC is attempting to mask discriminatory access to its maintenance and repair functions by inappropriately applying business rule exclusions to the data under the measure. Indeed, that is precisely what SBC did in Texas. There, in a recent data reconciliation (covering only one type of exclusion code), AT&T discovered that the disputed excluded tickets were numerous enough such that inclusion of the tickets in the performance data would have caused SBC to be out of parity. Similarly, AT&T strongly believes that a data reconciliation in Michigan would be likely to uncover evidence of non-parity performance.

D. Billing

109. SBC does not provide nondiscriminatory access to billing functions, because it has not consistently provided CLECs with timely, complete, and reliable Line Loss Notifiers ("LLNs"). SBC sends an LLN to notify a CLEC when SBC completes an order received from another LEC (including SBC itself) to change the provider on the service provided by that CLEC. *See* Cottrell Aff. ¶ 178.

110. As the Michigan PSC recently recognized, SBC's provisioning of timely and complete LLNs to CLECs is "a matter of critical importance" to CLECs, because failure to provide such notification "directly affects their ability to correctly bill end-user customers." *Michigan PSC Report* at 68-69. A CLEC must rely upon SBC's line loss notifiers to learn that a customer has switched carriers. Without that notice, a CLEC could erroneously double-bill the customer – an error that can have "serious effects on the reputations of competitive providers." *Id.*

111. SBC, however, has fallen far short of meeting its obligations to provide CLECs with timely and complete LLNs (which are also commonly referred to as "836" records). Time after time during the last year, SBC has failed to send thousands of LLNs to AT&T at all, or has sent LLNs that are so flawed that they cannot be processed. Rarely a month went by in the last year when AT&T did not encounter yet another LLN issue, or another outage in SBC's LLN systems.

112. Although SBC has attempted to correct the defects in its LLN systems since mid-2001, AT&T encountered serious problems with SBC's Line Loss performance through 2002. SBC all but confirms this fact in its Application. While reciting the "process enhancements" that it has made during 2002, SBC also attempts (in detail) to explain away the LLN problems that occurred throughout the year. *See* Cottrell Aff. ¶¶ 179-194. Simply stated, SBC's "enhancements" have not worked, and there is little reason to expect that SBC will render satisfactory performance on a long-term basis.

113. SBC's performance with respect to LLNs is a textbook example of the numerous shortcomings in its OSS. That performance shows that its OSS are unstable; that SBC

is slow or inadequate in correcting flaws in its OSS; that SBC fails to provide advance notice of changes in its OSS to CLECs, with resulting disruption of CLEC operations; and that the OSS are riddled with errors.[33]

114. AT&T has encountered line loss problems in Michigan almost from the time it entered the residential market in that State in February 2002. Early in March 2002, without warning, SBC began sending AT&T Line Loss Notifiers with the relevant telephone number omitted. AT&T received a total of 1,257 LLNs with this deficiency. Obviously, a LLN record that omits the telephone number of the customer who is leaving AT&T's service is of little use to AT&T.

115. After AT&T discovered this error, SBC and AT&T account representatives conferred. SBC promised to implement a "fix" on March 25, 2002, and to perform a "root cause" analysis of this error condition.

116. As SBC later admitted, the omission of telephone numbers from the LLNs occurred because SBC had made a change to its OSS and had provided no advance notice of the change to the CLECs. SBC explained that it had "inadvertently" caused the problem while it was making coding changes in the software module that handles status notices such as FOCs and completion notices.[34] As SBC acknowledges in its Application, SBC did not conduct internal testing before the change to determine whether the change would affect LLNs. Cottrell Aff. ¶

[33] A table setting forth a chronology of the LLN problems that AT&T experienced during 2002 is attached hereto as Attachment 8.

[34] *See* Cottrell Aff. ¶ 185 (acknowledging that the March 2002 problem occurred because SBC had implemented an EDI system change to fix a problem with FOCs and SOCs, and that the change "inadvertently caused the problem with missing telephone numbers").

185. In other words, SBC made a change without notifying CLECs and without determining whether the change would impact LLNs (even though, like FOCs and SOCs, LLNs are notices that SBC provides to CLECs).

117. When SBC implemented its promised "fix," it proved to be inadequate. Although SBC began flowing LLNs to AT&T (and "reflowing" LLNs that SBC had previously transmitted without telephone numbers), the LLNs were unusable by AT&T because SBC– again without providing advance notice to AT&T – had changed the EDI format for LLNs. AT&T's systems could not "read" these records, because the data fields had been changed.

118. After AT&T discovered this new problem, its account representatives again conferred with SBC. SBC then implemented a "fix" to correct the formatting error. AT&T finally received correct LLNs on April 8, 2002. That, however, was not the "end of the story."

119. On March 26, 2002, AT&T stopped receiving *any* new 836 records from Ameritech.[35] Again, AT&T's and SBC's account representatives conferred. SBC advised AT&T that the problem had occurred because SBC had changed certain "table" references on AT&T's CLEC profile (without a request or authorization by AT&T) such that the LLNs were misdirected to the wrong receiving location.

120. Four months later, AT&T experienced new problems in receiving LLNs, even though SBC claims to have made further "enhancements" to its LLN during that period. *See* Cottrell Aff. ¶ 179. Between August 15, 2002, and September 11, 2002, another major

[35] Although SBC claims that it re-sent "all impacted LLNs to AT&T on March 26," it fails to

outage occurred in SBC's Line Loss Notifier systems. For several days, SBC failed to send AT&T *more than 6,900* LLNs. SBC later explained to AT&T that there were three "root" causes for this problem. First, according to SBC, a table-update management tool (GUI) corrupted certain tables used in the line loss process when updates were made to CLEC profiles. AT&T's profile was not corrupted, but its LLNs were affected by corruption introduced in the tables of other CLECs.[36]

121. Second, SBC's EDI translator failed to send LLNs that were not corrupted, because the translator placed all LLNs (both "good" and corrupt) in different error queues. Thus, none of the LLNs that were in a batch containing at least one defective LLN was sent. Although SBC claims that the problem was "intermittent and did not affect all LLNs or all customers" (Cottrell Aff. ¶ 186), that was only because some "batches" of LLNs did not contain a corrupt control number sequence and therefore could be formatted and transmitted.

122. Third, SBC failed to monitor the EDI error queues and therefore failed to detect the problem. SBC learned of the problem *only* after BearingPoint discovered it while retesting a line loss problem that BearingPoint had noted earlier in the test. Remarkably, SBC had previously notified BearingPoint that the earlier line loss problems had been *corrected.* When it conducted retesting, however, BearingPoint found that it continued to experience line loss problems – and that the claimed "fix" was therefore ineffective. Only after BearingPoint notified SBC of its findings did SBC investigate and confirm the problem.

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mention that AT&T stopped receiving LLNs on the same date. Cottrell Aff. ¶ 185.

[36] SBC admits that the "problem with its EDI translator tables" occurred because "certain fields in a table within [the] EDI translator were populated so that groups of LLN transactions were not

123. After SBC identified the 6,900 LLNs had not been sent to AT&T, SBC "reflowed" them to AT&T from September 16 to September 17, 2002. Even after September 17, however, AT&T continued to experience intermittent Line Loss failures by SBC. Equally disturbing, AT&T received a series of erroneous rejection and/or completion notices that affected the ability of AT&T to accurately track the status of its customers. For example, AT&T continued to receive LLNs for customer lines that had not left AT&T service, received rejection notices when it should have received completion notices, learned that SBC had incorrectly transferred end-users to AT&T due to errors by SBC's representatives, and found that SBC had failed to update information on customer service records to show that AT&T was now the customer's service provider.

124. In November 2002, more LLN problems occurred. On November 12, 2002, SBC issued an Accessible Letter (CLECAMSO2-122) indicating that it had experienced yet another major line loss outage. SBC disclosed that as a result of "software release implemented November 9, 2002, errors have been noted on EDI 836 LLNs sent to the few customers using the EDI version 5.02." Although this announcement would have been troublesome to any CLEC, it was particularly disturbing to AT&T, which was preparing to migrate in December to EDI version 5.02 (the most advanced level of SBC's OSS systems at that time).

125. SBC's Accessible Letter, however, also stated that a "second issue has been detected affecting LLNs sent to customers using version 4.02 of EDI" – which AT&T (like most CLECs in Michigan) was then using in the Ameritech region. This "issue," according to

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being sent in all cases, but instead were being routed to an error-handling queue." Cottrell Aff.

SBC, was the omission of conversion dates from the LLN, due to an "EDI mapping error." Cottrell Decl. ¶¶ 179, 188. More than 1,000 LLNs sent to AT&T lacked conversion dates. Without those dates, AT&T could not ensure that it would avoid double-billing these end-users. SBC acknowledges in its Application that the problem lasted for three days. *Id.* ¶ 188.

126. In December 2002, AT&T experienced another major line loss problem, caused by SBC, this time in connection with AT&T's migration to LSOG 5.02 earlier the same month.[37] Between December 9 (when AT&T migrated to LSOG 5.02) and December 16, 2002, SBC continued to send LLNs to AT&T in LSOG 4.02 format. As a result, AT&T's systems were unable to "read" these files.[38] This problem impacted 2,966 AT&T end-user accounts.

127. When AT&T notified SBC of the problem on December 13, SBC determined that the problem had occurred because SBC had failed to update all of its tables with AT&T's LSOG 5.02 trading partner ID. This December problem represented at least the second time that SBC Ameritech had mistakenly changed table information that affected AT&T's ability to receive and process Line Loss Notifier records.

128. SBC's table updating error in December caused yet another problem for AT&T. Typically, when AT&T has either failed to receive LLNs or has received LLNs that are invalidly formatted, the process for correcting the LLNs involves "reflowing" the records. In

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¶ 186.

[37] *See* Cottrell Aff. ¶ 189 (stating that "a table update issue caused approximately 2,900 of AT&T's LLNs in the SBC Midwest region on that platform to continue to be sent in LSOR format").

[38] Although SBC rationalizes that the format change between LSOR 4.02 and LSOR 5.02 is "minor" (Cottrell Aff. ¶ 190), the difference between the two formats was clearly enough to render the LLNs unreadable.

other words, under the "reflowing" process SBC re-sends the records (correctly formatted), and AT&T's systems then accept and process the information in the LLNs. However, AT&T determined that the "normal" reflowing process would not resolve the problem experienced in December. Because AT&T's systems did receive LLNs (albeit in the incorrect LSOG 4.02 EDI format), the receipt of those records (associated with a telephone number) was registered by AT&T's systems. Thus, AT&T's systems rejected (or did not read) the reflowed record and did not properly update AT&T's system records.

129. To overcome this problem, AT&T created a new process to capture the data that was sent by SBC in an invalid format. Under this process, AT&T was required to manually prepare the "reflowed" LLNs in a format that would "force" the information into AT&T's system.[39] This manual process was expensive and time-consuming.

130. The above-described line loss problems in December 2002 were experienced by AT&T Consumer Services, which receives LLNs through the EDI interface. However, AT&T Business Services, which uses the web-LEX interface to receive LLNs, also experienced LLN problems in December. Although our review of these LLNs is not yet complete, it has already revealed significant problems. For example, four of the line loss notices that ABS received on December 26 lacked either a telephone number or a circuit ID number – effectively rendering them useless. Furthermore, the conversion dates listed on all four LLNs was April 23, 2002 – more than *eight months earlier*. Another four LLNs (received on

[39] SBC asserts that after it corrected the table updating problem in December, it offered to re-flow the affected LLNs, but that "AT&T declined." Cottrell Aff. ¶ 189. This statement is misleading. AT&T "declined" SBC's offer because it already had developed manual processes that enabled it to "force" the LLNs into AT&T's systems. SBC itself acknowledges that AT&T had "indicated use of a workaround." *Id.* ¶ 190.

December 11, 2002) had conversion dates of August 14, 2002, about *four months earlier* than the LLN, and another seven LLNs (received on December 16) were each a month late, with disconnect dates of November 19, 2002.[40]

131. SBC contends that it has been "extremely proactive in trying to immediately address line loss issues." Application at 50 (quoting *Michigan PSC Report* at 69). The numerous LLN problems that AT&T experienced during 2002, however, would not have occurred if SBC had maintained adequate LLN systems in the first place. Furthermore, although SBC may have fixed certain isolated problems, the occurrence of line loss notifier problems throughout 2002 shows that SBC has not developed an OSS that can ensure that SBC will reliably provide complete and timely LLNs to CLECs. SBC cannot plausibly contend that its "enhancements" have been effective, when its OSS adversely affected 10,000 of AT&T's line loss records during the last five months of 2002 alone. And as described in the Moore/Connolly Performance Measures declaration, these lost and/or delayed line loss notices do not appear to be accurately captured in the relevant performance measure (PM MI 13), which was intended to detect these types of problems.

132. SBC's remaining attempts to defend its LLN performance are baseless. For example, SBC claims that "Overall, there has been a significant decrease in the volume of missing Line Loss Notices, significance of the impact, and number of impacted CLECs." Cottrell Aff. ¶ 194. SBC, however, provides no data or other basis to support its claim – which,

[40] Even more recent experience provides further confirmation that SBC's line loss systems are unstable and unreliable. Inexplicably, on January 31, 2003, SBC *faxed* a single LLN involving a single telephone number to AT&T – even though SBC is supposed to send all LLNs *electronically*. LLNs received by fax are far more burdensome on a CLEC that an LLN sent electronically, because faxed LLNs are prone to being lost or delayed, and require the CLEC to

in any case, is contradicted by AT&T's experience. Similarly, SBC's promise that it will "tighten" the LLN process "through revisions to documentation and reinforcement education to responsible personnel" rings hollow, in view of SBC's failure to fix the flaws in its LLN systems notwithstanding its claimed "enhancements." *See id.* ¶ 191. If anything, SBC's promise constitutes a recognition that its LLN systems, and LLN performance, are seriously flawed.

E. The Discriminatory Performance of the OSS Adversely Affects Both Consumers and Competition In The Local Exchange Market.

133. The fact that the recurring SBC errors and system defects described above have repeatedly affected tens of thousands of AT&T's orders throughout 2002, and into 2003, demonstrates that SBC is not yet providing nondiscriminatory access to its OSS. These repeated errors, affecting a substantial percentage of AT&T's order volumes and customer base, preclude a finding that SBC has met its OSS obligations.

134. As discussed in Part I, these system errors have adversely affected AT&T's ability to compete with SBC. The percentage of prospective AT&T customers who cancelled their service after ordering it – but before receiving it – increased between September and November 2002 in Michigan. The rate of customer disconnects – customers who have decided to drop AT&T as their local service provider – is markedly higher in Michigan than in other SBC states. The rate of customer "drops," which measures both cancellations and disconnects as a percentage of customer acquisition overall, is also far higher in Michigan than in other States, including Texas and California.

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perform extensive manual work to process the lost customer out of the CLEC's systems.

135. Although it is difficult to trace every particular cancellation or disconnect to a single root cause, there is no question that interface outages, erroneous rejects and other delays in provisioning orders, failure to send accurate line loss notices, and other such errors by SBC's OSS all severely compromise AT&T's ability to respond promptly with answers to customer inquiries, provision their service accurately, and support that service reliably. AT&T's ability to compete is further impaired by the substantial time and resources that it must dedicate to have OSS problems resolved, whether those problems be orders rejected in error or missing line loss notifiers. Until SBC's poor OSS performance becomes a thing of the past, this Commission should deny its application for 271 authorization in Michigan.

IV. SBC HAS RECENTLY MADE CLEAR THAT IT WILL NOT CHANGE ITS "VERSIONING REQUIREMENTS," THEREBY INHIBITING AT&T'S ORDERING CAPABILITIES.

136. The Commission has previously found that versioning – the policy of allowing CLECs to use one version of a release even after the BOC has implemented a new version of the release – "is one of the most effective means of ensuring that system changes and enhancements do not adversely affect a carrier's ability to access the OSS."[41] Properly applied, a versioning policy benefits CLECs, because it "provides a sufficient mechanism to protect competing carriers from premature cut-overs and disruptive changes to their OSS interfaces." *Qwest Nine-State Order* ¶ 140.

137. SBC, however, has utilized its versioning policy to impede, rather than benefit, the CLECs' opportunity to compete in the local exchange market.[42] By effectively

[41] *Texas 271 Order* ¶ 115. *See also New York 271 Order* ¶ 110.

[42] Although SBC asserts that its current versioning policy is the product of the 13-State CMP collaborative process (Cottrell Aff. ¶ 224), SBC fails to mention that it initially resisted

requiring that a CLEC using a particular Operating Company Number ("OCN") must use the same version LSOG to submit LSRs over the EDI interface, SBC has severely inhibited the ability of AT&T to use SBC's EDI interface to place orders for line splitting. It also effectively precludes AT&T from partnering with other outside vendors to assist its ordering efforts. Although AT&T has persistently requested a change in this "same-version" policy, SBC made clear last week that it has no intention of making any changes to its policy.

138. Under SBC's versioning policy, versioning is "driven" by OCN values. Each OCN is associated with an ACNA (Access Carrier Name Abbreviation). The ACNA identifies the carrier, while the OCN identifies the jurisdiction in which that carrier operates. Coincident with the implementation of LSOG 4.0, SBC authorized – and required – CLECs to provide OCNs for each State. Once an order originating from a given OCN is sent in a given version, all subsequent orders from that OCN must be sent in the same version. If a subsequent order is sent in a "lower" version, SBC will return a rejection notice with an error code (RVER) denoting that the "Company Code does not match version."

139. No other RBOC places a comparable restriction on CLECs. Instead, other RBOCs require consistency in the use of EDI versions only at the trading partner ID level, and allow CLECs to employ multiple trading partner IDs in order to use multiple versions of EDI. SBC has refused to implement versioning at the trading partner ID level, which is what AT&T would prefer, and what Verizon and Bell South offer. In other words, in the BellSouth and

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implementing versioning for two years after it was ordered to do so by the Texas Public Utilities Commission (and, when it finally implemented versioning, did so six months after the deadline set by the TPUC). *See* Declaration of Nancy Dalton and Sarah DeYoung filed January 31, 2000, in CC Docket No.00-4, ¶¶ 41-44; Supplemental Declaration of Julie S. Chambers and Sarah DeYoung filed April 26, 2000, in CC Docket No. 00-65, ¶¶ 32-35. SBC is now simply using

Verizon regions, a CLECs that submit an order with a single OCN but that have different trading partner IDs can each use a different version of EDI..

140. SBC's uniquely restrictive versioning policy unreasonably restricts AT&T's access to SBC's OSS, and discriminates against AT&T, in many ways. First, as discussed further below, SBC's versioning policy will severely constrain AT&T's ability to enter into line splitting arrangements with other CLECs including a recently-announced plan to engage in a line splitting arrangement with Covad to provide combined voice and data services to customers in the SBC region. As part of that arrangement, AT&T and Covad will use AT&T's OCN to submit line splitting orders to SBC. Thus, if Covad does not use the same LSOG version as AT&T in submitting line splitting orders to SBC, the orders will be rejected. The same result will occur if AT&T provides line splitting in partnership with any other data LEC that does not happen to be using the same EDI version that AT&T is using.

141. Second, SBC's "same-version" policy would also adversely affect AT&T's ability to enter into other types of arrangements with CLECs. For example, in the Verizon region AT&T has already implemented an arrangement with a third party service bureau provider under which that service bureau provider will arrange for the conversion of AT&T's customers from service through the UNE platform to service through unbundled loops. As part of its responsibilities under that arrangement, the service bureau provider submits the orders for such conversions to the RBOC, using AT&T's OCN. In the Ameritech region, however, AT&T

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versioning as a means of impairing competition in the local exchange market.

cannot implement such an arrangement as a practical matter unless both CLECs were using the same version of EDI.[43]

142. **Line Splitting Orders.** SBC's "same-version" policy is a barrier to AT&T's ability to provide both voice and data service through line splitting arrangements in the Ameritech region. A line splitting arrangement enhances a CLEC's ability to compete effectively with SBC, because it enables the CLEC – either alone or in partnership with another LEC – to provide both voice and data service to the customer. At a time when consumers increasingly order voice and data service from the same carrier, the "same-version" policy will foreclose AT&T's ability to compete meaning fully in the marketplace.

143. As part of its market entry plans, AT&T intends to engage in a line splitting arrangement with other LECs, under which AT&T will provide the voice service and another CLEC will provide the data service, using an unbundled loop. AT&T recently entered into one such agreement with Covad, and is now seeking to implement it.

144. Under the line splitting arrangement planned by AT&T, the data LEC would submit the order for line splitting to SBC, using AT&T's OCN. The use of AT&T's OCN on the order would ensure that AT&T will receive the bill and retain ownership of the loop used

[43] SBC's versioning policy has also created substantial problems for AT&T internally. For example, within AT&T, AT&T Consumer Services (ACS) and AT&T Business Services (ABS) use different ordering platforms, but have some products that share OCNs. If ACS migrates to a new LSOG version (such as LSOG 5.02), but ABS remains on a preexisting version (such as LSOG 4.02), ABS's orders for those products will be rejected as soon as ACS begins to submit orders using the new version. Similarly, if ABS migrates to a new LSOG version before ACS, any order submitted by ACS will be rejected for using an incorrect version once a migration has occurred. Indeed, because of SBC's versioning policy, AT&T has been forced to resort to costly and time-consuming "workarounds" in both Michigan and Texas to ensure that its orders will not be rejected

to provide the combined voice and data service. However, the DLEC would submit the line splitting order to SBC because it is the provider of the data service and, as such, it will be responsible for performing the work in the central offices needed to provision the orders. That, arrangement, however, would not be possible under SBC's "same-version" policy, regardless of whether the DLEC was Covad or any other third party. As discussed below, the policy also effectively precludes any DLEC from partnering with more than one "voice" CLEC.

145. As previously stated, SBC's "same-version" policy requires that, once an LSR containing a particular OCN is submitted on a particular LSOG version, *all* subsequent LSRs using that OCN must be submitted using the same version, or they will be rejected. AT&T and Covad, however, use different versions of EDI throughout the SBC regions. In Michigan, Covad currently uses LSOG version 4.02. AT&T Consumer Services, by contrast, now submits orders using LSOG version 5.02. Thus, if Covad used AT&T's OCN, its line splitting orders would be rejected, because they were submitted using a "lower" version than the version used by AT&T.

146. The situation in the SWBT and Pacific regions is similar. There, both AT&T and Covad currently use LSOG version 3.06. However, in February 2003, AT&T's ACS will migrate to LSOG 5.02 – and therefore will be on a different version than Covad. Although Covad plans to move to LSOG 5.03 in these regions at a later date, it will still be using a different version. Thus, regardless of where Covad submits them, its line splitting orders in the SBC region will be rejected if it uses AT&T's OCN.

147. Similarly, AT&T is currently seeking to determine whether AADS, SBC's advanced services affiliate, would be willing to enter into a voluntary line splitting arrangement

with AT&T. But such an arrangement will not be possible under SBC's versioning policy. Like Covad and other CLECs, AADS submits orders to SBC using the same interfaces as the CLECs, including the EDI ordering interface. *See* Habeeb Aff. ¶¶ 7, 9. Thus, even if AADS and AT&T are using the same version of EDI at the present time, they will not always do so. No two LECs use the same version for precisely the same time frame, or migrate to a new version at exactly the same time. At some point, for some period of time, AADS and AT&T will be on different versions – and any orders submitted in the lower version by either AADS or AT&T would be rejected.

148. Any attempt by AT&T and Covad (or any other third party DSL provider) to stay on the same EDI version would run up against a further problem. Covad (and other DSL providers) may be expected to enter into line-splitting partnerships with other CLECs. Those partnerships could function, however, only if Covad (or the other DSL provider) and its voice-CLEC partner were on the same EDI version as well. For CLECs to take advantage of line-splitting, therefore, SBC's versioning policy effectively amounts to an RBOC mandate that all of its DSL competitors, to the extent they wish to engage in line-splitting, must implement new versions of EDI simultaneously now and for as long in the future as they wish to line-split. That is a wholly unworkable, and anticompetitive, restriction.

149. Accordingly, as a practical matter, SBC's "same-version" policy will preclude AT&T's data LEC partner from submitting line splitting orders – and from providing a combined voice and data service to customers. Such a result is anticompetitive and discriminatory, because SBC already provides combined voice and service to its retail customers without facing such impediments. When a retail customer requests both voice and data service,

SBC's own retail operations directly submit the order into SBC 's SORD system, and SBC's data affiliate then submits a line-sharing order, unconstrained by versioning considerations, using the same OSS available to CLECs. Consequently, retail orders for these services do not face the possibility of order rejections.[44]

150. SBC's "same-version" policy is also discriminatory, because it does not apply when *SBC itself* makes arrangements with other LECs. For example, if Covad provides data service to a customer under a line sharing arrangement with SBC, Covad is not required to be on the same version as SBC. The "same-version" policy applies *only* when a CLEC – not SBC – is the voice provider.

151. **Other Third-Party Arrangements.** Similarly, SBC's "same-version" policy will prevent AT&T from making other types of arrangements with CLECs such as the agreement that AT&T has with a service bureau provider to connect AT&T's customers to UNE-L from a UNE-P configuration. This is a denial of parity, because no such constraints exist when SBC itself is entering an agreement with another LEC.

152. Although AT&T and other CLECs have long requested that SBC change its "same-version" policy, SBC has been unresponsive. For example, during a Change

[44] The harm to CLECs caused by SBC's "same-version" policy is further increased by SBC's restrictions on the availability of trading partner IDs, which CLECs need for direct connections to the SBC OSS. Currently, SBC assigns no more than three trading partner IDs to a particular CLEC per function, per region, per environment. *See* Cottrell Aff. ¶ 102 & n.46. For example, in the Ameritech region, a CLEC could obtain only three trading partner IDs for ordering. *Id.* This policy limits AT&T's ability to participate in line splitting arrangements, which would require AT&T to assign one of its trading partner IDs to the data CLEC to enable that data CLEC to place line splitting orders. AT&T, however, already uses all three of its trading partner IDs. AT&T has requested for the last two years that SBC remove its limitation, but SBC has refused to do so. Instead, SBC periodically asserts that AT&T has already exceeded the three-ID

Management Meeting on September 8, 2002, CLECs described the deficiencies in SBC's current versioning policy. Following the meeting, SBC developed a proposal, which it presented to the CLECs on September 12th and 13th, 2003. The CLECs recommended that SBC explore two variations of the original proposal – which SBC later described as Options 1 and 2.

153. In an Accessible Letter dated September 19, 2002, SBC advised the CLECs that "upon further review," it determined that Options 1 and 2 did not "address the issues raised" (even though the options reflected the recommendations of CLECs). Instead, SBC presented an "Option 3" that it alone had developed.[45] Option 3 included an offer by SBC to base versioning on Purchase Order Number ("PON"), rather than on OCN – a procedure that, if adopted, would effectively eliminate the "same-version" policy, because it would enable a CLEC to submit LSRs on different versions even if it used the same OCN.

154. However, SBC would only support this if CLECs were willing to forego the requirement that SBC support two major LSOG versions at a time – a requirement that CLECs fought long and hard to win. Thus, SBC stated that it would only agree to base versioning on PONs if CLECs would consider SBC's support of two "dot" releases of one "major" LSOG release at a time sufficient to fulfill SBC's versioning obligations.[46] This change was unacceptable to AT&T and other CLECs, because they regard the availability of two major LSOG versions as important. First, AT&T's experience with LSOG 4.02 raises serious questions about the quality and stability of SBC's interface software. In the SWBT and Pacific

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limitation.

[45] Accessible Letter No. CLECALLS02-111, dated September 19, 2002, attachment at 1 (attached hereto as Attachment 9).

[46] *See id.*, attachment at 3-4; Cottrell Aff. ¶ 223 (stating that under SBC's current versioning

regions, AT&T and other CLECs have found a "safe haven" from OSS problems by staying with the existing, stable LSOG 3.06 versions now in place. As AT&T stated to SBC in versioning discussions, AT&T would need to see a significant improvement in software stability and quality before AT&T could ever consider giving up retention of the last major LSOG "dot" version in the versioning protocol.

155. Second, retention of the last "dot" version of the prior LSOG is an important aid to CLECs in business planning and resource utilization. With the availability of the last "dot" release of the prior LSOG, AT&T is able to plan the scheduling of new versions knowing that this "dot" "release will not be retired until the next LSOG version has been implemented (generally about a one-year time span). Both Verizon and BellSouth support two major LSOG versions.

156. Although the parties have held further discussions on the versioning issue since September, SBC has not altered its proposal, and CLECs therefore have been unable to agree to it. SBC has been even less cooperative in its individual discussions with AT&T, where AT&T has described the constraints that the "same-version" policy places on the submission of line splitting orders. SBC has characterized the problem as nothing more than an "operational issue" between AT&T and its "agent" (the DLEC), and has asserted that AT&T is simply "seeking a way for a third party CLEC to act as its agent" in submitting orders. This description, of course, is illogical, because it ignores the very nature of the line splitting agreement – which is a partnership between AT&T and the DLEC.

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policy, SBC supports one "dot" version and two major LSOG versions).

157. At a meeting with AT&T on January 29, 2002, SBC made clear that it has no intention of altering the "same-version" policy. When AT&T again raised the issue, SBC responded that (1) it did not believe that it had any obligation to implement versioning in the first place, and (2) if AT&T and its DLEC partner are concerned about the "same-version" policy, the DLEC ought to be able to utilize the GUI interface (which, as SBC well knows, cannot support commercial volumes) or support multiple versions by itself. Combined with the unreasonable condition that it attached to its "Option 3," SBC's "fend-for-yourself" comments on January 29 leave no doubt that the purpose of its "same-version" policy is solely to impair the ability of CLECs to compete with SBC in the marketplace.

V. SBC'S POOR PERFORMANCE IS MAKING PROBLEMS WORSE, NOT BETTER, FOR CLECs AND CONSUMERS.

158. The problems with SBC's OSS substantially burden CLECs seeking to enter the local exchange market in Michigan. SBC, however, exacerbates these problems by failing to provide the necessary support to CLECs regarding the OSS. First, SBC fails to comply with its own change management process. Second, SBC has recently limited the ability of CLECs to use its joint test environment. Third, the OSS documentation provided by SBC is inadequate. Finally, despite the significant current problems with its OSS, SBC has reduced the level of assistance that it makes available to CLECs to resolve OSS problems.

A. SBC Continues To Violate Its Own Change Management Process.

159. Although the specific deficiencies in SBC's OSS differ, the root cause of many of the errors described above is SBC's failure to follow the letter or the spirit of its change management process. SBC routinely makes unannounced changes to the OSS, and to its business rules, without notifying AT&T in advance. When this happens, AT&T (unaware of the

change) continues to submit orders using the same methods and procedures that it has previously (and successfully) used to submit orders to SBC. As a result, AT&T experiences order rejections and other disruptions of its operations, thereby impairing AT&T's ability to compete in the marketplace. As the Michigan PSC found only three weeks ago, "SBC's recent OSS changes were not announced prior to their implementation *and did negatively affect the CLECs.*" *Michigan PSC Companion Order* at 10 (emphasis added). It was for this reason that the Michigan PSC has required SBC to file "a compliance and/or improvement plan to address the issues AT&T has raised." *Id.*

160. SBC's implementation of systems changes without advance notice to CLECs flatly violates the CMP, which "manages changes to OSS interfaces that affect CLECs' production or test environments." SBC 13-State Uniform Change Management Process (Cottrell Aff., Att. N), § 3.0. These changes include, among other things: (1) Operations Changes, which the CMP defines as "changes to existing functionality that impact the CLEC interface(s) upon SBC's release date for new interface software"; (2) Technology Changes, which the CMP defines as "changes that require CLECs to meet new technical requirements upon SBC's release date"; and (3) changes to add additional functionality. *Id.* §§ 3.1.1-3.1.2.

161. The CMP sets forth specific notice requirements regarding the implementation of these changes. SBC is required to adhere to these requirements *unless* it properly utilizes and follows the Exception Process of the CMP. The Exception Process provisions of the CMP state that "Because it will be difficult for SBC . . . to accurately assess the impact of SBC's . . . proposed change on any given CLEC's current or future development, any

agreement to deviate from the normal CMP shall be *agreed to unanimously* by Qualified CLECs and SBC." *Id.* § 6.3.1 (emphasis in original).

162. These provisions further state that if "SBC . . . wishes to propose that a specified change . . . be handled on an exception basis, SBC will issue a Release (or Retirement) Requirements Exception Accessible Letter." *Id.* § 6.3.2. The CMP then states that "SBC may proceed to implement the change . . . on an exception basis only if there are not outstanding issues, or CLEC objections at the end of the CLEC response cycle." *Id.* § 6.3.2.3. However, aside from the instances where it abused the process in connection with the implementation of LSOG 4 and LSOG 5, SBC has *never* attempted to use the Exception Process procedures to changes that it plans to make to current, in-production interfaces, but has instead simply made systems changes at its own discretion. This has caused the very disruption of CLEC operations that the CMP was intended to prevent.

163. In the face of the Michigan PSC's finding in its January 13th Opinion and Order that "SBC's recent OSS changes were not announced prior to their implementation and did negatively affect the CLECs," SBC's boast that it "has followed the agreed-upon change management process for all of its releases since March 2001" rings hollow. *See Michigan PSC Companion Order* at 10; Cottrell Aff. ¶ 208. Even leaving aside the fact that SBC provides no data or other basis to support its claim, SBC's assertion is, at best, misleading. To the extent that SBC has complied with the CMP, it has done so only in the context of placing new interfaces into production. Once an interface is in production, SBC makes changes to the OSS and its business rules without providing the notice required by the CMP – or contends that the CMP does not apply. As shown above, SBC is wrong in these contentions. But even if SBC were in

compliance with the letter of the CMP, the extraordinary number of instances when SBC has invoked the "Exception" Process of the CMP, has updated documentation releases that were purportedly "final," and has made changes on short (or no) notice, constitute a flagrant abuse of the CMP that unreasonably requires CLECs to deal with unannounced (or last-minute) changes, "updates," and other corrections. SBC's sorry record of commercial performance in Michigan demonstrates that if SBC is deemed to have the right unilaterally to change its existing interfaces without notice to CLECs, then SBC can and inevitably will use that power to disrupt CLEC access to its OSS.

164. In fact, nearly all of the major performance problems recited above stemmed from systems changes by SBC that were made without notice to CLECs. For example, SBC erroneously rejected 15,000 AT&T orders in November – December 2002 because SBC made an unannounced change in its rules for populating certain fields relating to PIC and LPIC on the LSR without providing advance notice of the change to CLECs. 10,000 of these orders were also adversely affected by changes that SBC had made (apparently inadvertently) to AT&T's trading partner ID. SBC also erroneously rejected approximately 15,000 of AT&T's orders because SBC had changed its EDI coding without notifying AT&T. In December 2002, approximately 2,800 of AT&T's orders were rejected in error because SBC (mistakenly) began applying LSOG 5 edits to AT&T's LSOG 4 orders. And in January 2003, AT&T experienced yet more order rejections, apparently due to a human error that occurred during an unannounced change by SBC.

165. SBC's performance to date shows that once SBC places an interface into production, SBC observes the CMP only in the breach. That pattern has continued even after the

filing of SBC's Application. It was not until January 23, 2003 – one week after it filed its Application – that SBC first provided advance notice to the CLECs by Accessible Letter of an anticipated systems change to an interface in accordance with the requirements of the CMP.[47]

166. The timelines in SBC's Change Management Process were established for the purpose of giving a CLEC sufficient time to complete all of the modifications to its own systems so that it will be able to use SBC's new releases by the time of the actual implementation date. That is why the CMP requires SBC to provide CLECs with the final requirements for a release between 110 and 130 days prior to the effective date.

167. As discussed above in Part II, however, SBC continuously flouted the letter and the spirit of the CMP in its implementation of LSOG 4 and LSOG 5. Through its constant invocation of "exceptions" to the time deadlines established by the CMP, and its inadequate internal testing, SBC totally disrupted CLECs' preparations for these releases. It is therefore little wonder that few CLECs chose to migrate to either version when they were first introduced by SBC, for fear that doing so would impair or prevent them from interacting successfully with SBC's OSS.

168. Ever since the implementation of LSOG 5, however, SBC has consistently violated the CMP by failing to give CLECs advance notice of CLEC-affecting systems changes. In addition to its failure to follow the CMP last July with respect to its new "WSIC" process (¶¶ 69-76, *supra*), SBC made clear even more recently that its disregard of the CMP is not

[47] *See* SBC Accessible Letter No. CLECAMS03-004, dated January 23, 2003 (advising CLECs of defect correction to be implemented as part of SBC's release scheduled for March 15, 2003). A copy of this Accessible Letter is attached hereto as Attachment 10.

inadvertent – and that, even if a change is a systems change, it will simply call the change a "process change" to evade the requirements of the CMP.

169. After they have ordered service from AT&T, customers sometimes advise AT&T that they will not be ready to receive the service on the originally-scheduled due date. In such circumstances, AT&T will notify SBC and request a new due date. However, AT&T must also submit a supplemental order requesting the new due date. If AT&T does not submit a supplemental order within 30 calendar days, SBC will cancel the due date.

170. SBC's Local Service Ordering Rules ("LSOR") for LSOG 5.02 provide that when a CLEC does not submit such a supplemental order within the 30-day period, SBC will issue a "PIA 8" (Provider-Initiated Acknowledgment – Customer Not Ready) notice advising the CLEC that the due date has been cancelled. This notice is useful to CLECs, because it serves as a reminder of "stale" orders that should be cleared from their systems.

171. During a CLEC User Forum ("CUF") meeting held on December 4, 2002, SBC stated that it was making changes to its change notification process, and that those changes would include the elimination of the PIA 8 notice. On December 5, 2002, SBC sent Accessible Letter CLECALL02-156 to CLECs announcing a "revised" Customer Not Ready process, effective January 5, 2003. Under the "revised" process described in the Accessible Letter, if a CLEC fails to send a supplemental order within 30 calendar days, SBC will "cancel all related orders to the LSR" and will send rejection or jeopardy notices in response to any supplemental orders sent after the 30-day period. However, the Accessible Letter did not mention the PIA 8

notice.[48] Moreover, SBC made no change in LSOR 5.02 – which, as previously stated, provided for transmission of the PIA 8. When AT&T asked for clarification, SBC stated that the PIA 8 had been eliminated – and, thus, would no longer be sent to CLECs.

172. SBC's elimination of the PIA 8 constituted yet another violation of the letter and spirit of the change management process. SBC provided no formal advance notice that the PIA 8 would be discontinued, and made no change in the LSOR 5.02 rules providing for such notices. Instead, SBC simply mentioned the elimination of the PIA 8 at the CLEC User Forum and, the next day, sent an Accessible Letter that made no mention of the notice – apparently leaving it to CLECs to infer, from the Letter's silence regarding the PIA 8, that the notice was being eliminated.

173. As SBC recognizes in its Application, the CUF is not a substitute for the CMP. "The CUF provides another forum for open discussion, and was primarily created to address *operational issues and processes whereas the CMP was formed to address system issues.*" Cottrell Aff. ¶ 213 (emphasis added). The elimination of the PIA was clearly a *systems* change subject to the CMP, because it necessarily involved modifications in SBC's electronic OSS and a change to SBC's published interface requirements.

174. AT&T protested SBC's violation of the CMP on January 23, 2003.[49] After waiting for six days, SBC finally responded on January 29, arguing that the change was "a business process change, which appropriately belongs in the CLEC User Forum." SBC's

[48] *See* SBC Accessible Letter CLECALL02-156, dated December 5, 2002 (attached hereto as Attachment 11).

[49] *See* electronic mail message from Walter W. Willard to Kathy King (SBC), dated January 23, 2003 (attached hereto as Attachment 12).

argument was illogical, because it proceeded to admit that it "will be removing the [PIA 8] from the interface" in its forthcoming September 2003 release.[50] That "removal from the interface" is clearly a *systems* change governed by the CMP. This incident makes plain that, once it has placed an interface into production, SBC will circumvent the CMP by declaring *any* change to be a "business process" change. even if the change is actually a systems change.

175. SBC's position with respect to PIA 8 starkly confirms its view that change management obligations are to be viewed narrowly, thereby permitting SBC to made system changes to existing interfaces that disrupt CLEC access at will. This approach to change management is a central reason why SBC's has provided CLECs with such poor OSS access to date. Until SBC consistently follows appropriate change management procedures for a sustained period of time, CLECs can have no confidence that SBC will provide them with consistent, stable, and nondiscriminatory access to SBC's OSS.

176. SBC's poor record with respect to change management is all the more problematic given the systems changes currently scheduled for the first half of this year. The next upgrade in SBC Midwest is the SBC 13-state LSOG 5.03 release that will occur on March 15, 2003. That release contains the Business Rule Plan of Record updates that were committed to in the FCC Uniform and Enhanced OSS Interface. There will be many business rule changes in this March release. In addition, LSOG 6 is scheduled for deployment in June, 2003. With the implementation of LSOG 6, any of the CLECs then "sitting" on LSOG 4.02 will be forced to upgrade either to LSOG 6.0 or to one of the dot versions of LSOG 5 (*i.e.*, LSOG 5.03 or LOSG 5.02.) Consequently, it is reasonable to expect that a number of CLECs will move to LSOG 5.03

[50] *See* electronic mail message from Kathy King to Walter W. Willard, dated January 29, 2003

in the April and May timeframe to avoid moving from LSOG 4.02 to a later LSOG version in June. Given SBC's change management record to date, this upcoming period of interface-transition presents a substantial risk to all CLECs that their access to SBC's OSS will be severely degraded or interrupted.

B. SBC Fails To Maintain an Adequate Test Environment.

177. As part of its OSS obligations, SBC is required to "provide competing carriers with access to a stable testing environment to certify that their OSS will be capable of interacting smoothly and effectively with the BOC's OSS." *Texas 271 Order* ¶ 132. In January, however, SBC began enforcing restrictions on the use of its test environment that effectively prevent AT&T from ensuring that its own OSS will "interact smoothly and efficiently" with SBC's.

178. SBC allows CLECs to retest test cases or test scenarios in its joint test environment ("JTE") when problems occur during the initial testing. *See* Cottrell Aff. ¶ 222. AT&T, however, may need to test a particular test case or test scenario more than once – and perhaps several times – even when the initial testing has been *successful*. From a systems perspective, AT&T needs the ability to retest (regression test) a test case after it makes certain changes in its code, because such changes may affect transactions other than those for which the coding change was made. For example, even if Test Case 1 is successful in the JTE, AT&T may wish to re-test that case if it makes coding changes in its systems after it encounters problems with Test Case 5. Such re-testing is necessary to ensure that the coding changes do not adversely affect previously-affected test cases.

(attached hereto as Attachment 13).

179. Multiple re-testing is also often necessary to ensure that changes that AT&T makes in response to a particular test case has not adversely affected any of its upstream systems. For example, AT&T maintains multiple upstream systems that may originate pre-ordering transactions. Each of these systems may connect to a single gateway that sends transactions to SBC. Furthermore, each of the systems may execute a particular pre-order test case – and may need to perform the test case multiple times for regression testing or to fix a problem in that particular system.

180. The need for retesting is illustrated by the following scenario. Assume that AT&T has three upstream systems, each of which connects to a single gateway to the ILEC. AT&T may wish to re-test a particular test case on all three systems between three and five times, to determine whether coding changes that it made to correct problems with five *other* test cases did not affect any of the test cases. In such circumstances, AT&T might find it necessary to repeat an individual test case at least nine, and perhaps fifteen, times.[51]

181. In the "real world," AT&T makes every effort to minimize the number of times that it re-tests on an ILEC's test environment after the first case has tested successfully. Nonetheless, AT&T needs the ability to conduct multiple re-testing where necessary. Without

[51] A recent production problem with another RBOC (Verizon) also illustrates the need to run a test case multiple times (and perhaps simultaneously). During a joint investigation of a pre-ordering server failure in Verizon that affected all CLEC pre-ordering transactions, it was determined that the root cause of Verizon's problem was a defect in software that manifested itself when *only* 3 to 5 simultaneous transactions were attempted. It is important to recognize that in pre-ordering transaction testing, as in production, there is more than a single user of the OSS at any given time – whether two or more users working for the same CLEC or two or more CLECs. Therefore, it is important to test the behavior of the CLEC and ILEC pre-ordering server where simultaneous transactions are occurring. Although AT&T is not requesting or advocating the use of "stress" or "load" testing *per se,* experience dictates that simple "one-pass" transaction testing is insufficient.

that ability, AT&T will be unable to determine whether coding changes that it makes will cause order rejections, rather than enhance its ordering capabilities, until it performs transactions in the production environment.

182. Until last month, SBC did not limit AT&T's ability to re-test test cases more than once even after the test case had previously been tested successfully. Although SBC had indicated that its Joint Plan Template purported to limit multiple retesting (by prohibiting "unmonitored testing without a test analyst being involved"),[52] prior to 2003 SBC only occasionally called to AT&T's attention that AT&T was sending multiple "off-plan" re-testing transactions in States in the SBC region such as California, and SBC did not prevent such re-testing.

183. Beginning in January 2003, however, SBC began to limit the amount of re-testing that AT&T could perform. On January 14, SBC issued a "warning" to AT&T because AT&T had submitted more pre-ordering transactions than it had originally anticipated in the test plan that it submitted to SBC. These pre-ordering transactions were transactions that AT&T had re-tested.[53]

184. On January 27, in response to SBC's criticisms, AT&T proposed a pre-ordering monthly test plan to SBC. Under the plan, certain test scenarios would be re-tested five

[52] *See* Joint CLEC Release Test Plan Template for EDI and LEX, § 9.1, (Cottrell Aff., Att. O).

[53] SBC's criticism that AT&T had not included all of the additional test scenarios in the test plan was illogical. Although AT&T attempts to include in the test plan the various testing and re-testing that it believes will be necessary, it is impossible to forecast the need for re-testing with a reasonable degree of certainty. Conducting repeat tests was reasonable, because AT&T maintains three back-end systems and there were variations in each transaction (such as reviewing a one-line CSR, reviewing a multi-line CSR, and reviewing the CSR of a customer with multiple lines and hunting).

times even if the initial test was successful. On January 28, however, SBC rejected the plan, stating that AT&T "will need to resubmit the test plan with a . . . request for the number of times a transaction is tested to be *no more than 3*."[54]

185. SBC's newly-enforced limitation of re-testing to "no more than three times" is an unreasonable restriction that will put AT&T and other CLECs who use SBC's EDI interfaces at a competitive disadvantage with SBC itself. By virtue of its control of the OSS, SBC is able to test transactions and changes as often as it wants. By denying the same ability to CLECs, SBC is precluding CLECs from using the test environment to determine whether the changes they make on *their* side of the interface will facilitate, rather than impede, the interaction of their own systems with those of SBC.[55]

C. SBC's Documentation Is Inadequate.

186. SBC also fails to provide CLECs with the documentation they need to ensure that their interfaces, systems, and processes are able to interact efficiently and seamlessly with SBC's. The deficiencies in SBC's ability to provide timely and accurate documentation are pervasive and longstanding, and continue to this day.

187. As discussed above, SBC's use of the exceptions process in connection with the documentation accompanying its implementation of LSOG 4 and LSOG 5 virtually swallowed the rule. SBC never provided a complete set of LSOG 4 ordering and pre-ordering requirements with corresponding business rules documentation prior to implementation. And

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[54] *See* electronic mail message from Janice Bryan to Pamela K. Protheroe, dated January 28, 2003 (attached hereto as Attachment 14) (emphasis added).

[55] SBC has called a meeting for Friday, February 7, 2003 (the day after comments on SBC's Michigan 271 application are due for filing at the Commission) to discuss pre-order testing.

that documentation has been plainly inadequate. SBC has continued to make numerous modifications to both versions of LSOG well after their implementation dates. See Attachment 1 hereto. For example, SBC sometimes made hundreds of changes to the LSOG 5 documentation at a time, and issued more than 1,000 pages of revisions to LSOG 5.00 alone. *See* ¶¶ 41-46, *supra.*

188. Moreover, during January 2003, SBC demonstrated that it does not maintain adequate documentation regarding its OSS *even for itself* – and that it develops OSS ordering requirements on an *ad hoc*, on-the-spot process. This occurred when AT&T requested SBC to describe the procedures that AT&T must follow when a customer with multiple lines requests disconnection of its billing telephone number ("BTN").

189. AT&T's need for such information was necessitated by the unique account structure in the Ameritech region. When SBC provides service to a retail customer in that region that uses one or more lines, it assigns at least one billing telephone number ("BTN") to that account. For some multi-line customers, SBC will maintain a single account (and a single customer service record), where one line in the account will be designated as the BTN and the remaining lines in the account will be classified as working telephone numbers ("WTNs"). In the case of other multiple-line customers, however, SBC will create separate accounts (and separate CSRs) for each line – and the line in each separate account will be classified as the BTN for that account.

190. The account structure in the Ameritech region impedes the migration of a multiple-line retail customer to a CLEC, because – as a result of the design of SBC's OSS for that region – the CLEC is required to maintain the account structure for the customer that was in

existence at the time of the migration (including the designation of numbers as BTNs or WTNs). When the customer had a single retail account that included one line as the BTN and the remaining lines as WTNs, the CLEC can simply use a single LSR to migrate all of the lines. However, when the customer had two or more separate accounts with SBC, a CLEC cannot use a single LSR, because the OSS records the customer as having multiple BTNs. If a CLEC submits a single LSR for all of the lines, the LSR will be rejected because the LSR contains more telephone numbers than are listed on the CSR for that line. The CLEC is required to submit separate LSRs for each of the separate BTNs that comprise the customer's local service. Thus, each BTN is handled as an independent order. As a result, each order is subject to delays in SBC's systems, causing a lack of coordination in resulting in the migration and billing of the end-users account. To coordinate orders for multiple lines, the CLEC is required to submit separate LSRs and relate them using the RPON (Related Purchase Order Number) field on the LSR. This procedure can lead to delays in provisioning if, for example, one of the LSRs is rejected. In fact, because "RPON'd" LSRs always fall out for manual processing by SBC even if the order is not rejected, the "RPON" process inherently increases the risks of delays and errors in the provisioning of the order.

191. The account structure for the Ameritech region is unique even within the SBC corporate family. In the regions served by SBC's other affiliates, SWBT and Pacific, a CLEC is not restrained by the retail account structure from using a single LSR to migrate all of the customer's lines. For purposes of a migration in the SWBT and Pacific regions, the customer's telephone lines are simply treated by the OSS as telephone numbers – not as BTNs or as WTNs. Thus, a CLEC can use one LSR to migrate all of a customer's lines, regardless of whether more than one retail account had been established for that customer.

192. During 2002, AT&T requested SBC to eliminate the current account structure in the Ameritech region so that, as in the SWBT and Pacific regions, a CLEC would be able to use a single order to migrate multiple lines for a customer. SBC, however, declined to do so, claiming that making such a change would be too complex and expensive. SBC's position was unreasonable, given the absence of such account structures in the regions of its affiliates.

193. Because of SBC's refusal to change the account structure in the Ameritech region, AT&T attempted to determine SBC's ordering requirements for scenarios that arise as a result of the account structure. Thus, on January 23, 2003, AT&T asked SBC's Account Manager to describe the procedures that a CLEC must follow when an Ameritech customer has an account and requests that the current BTN be disconnected. AT&T requested SBC to state, for example, whether AT&T may use one LSR both to request disconnection of the current BTN and to change the directory listing for the customer to make one of the current WTNs as the "lead" telephone number for that listing.

194. SBC's Account Manager, however, replied that she would need the assistance of a subject matter expert ("SME") to answer AT&T's questions. After consulting with her SME, the Account Manager advised AT&T that "Currently today, *this situation is not documented* and it is a drop to manual. . . . *M&P is currently working on a process for this.*"[56]

195. Thus, by its own admission, SBC – which insists on maintaining the unique Ameritech account structure – does not maintain documentation for itself (much less for the CLECs) that sets forth requirements for orders affected by that structure. Furthermore, SBC

[56] Electronic mail message from Janice Bryan (SWBT) to Carol Conlon (AT&T), dated January 23, 2003 (attached hereto as Attachment 15) (emphasis added).

has not even established processes to handle such orders, but instead uses an improvised manual procedure while it "is working" on a permanent process. In such circumstances, the OSS cannot reasonably be called stable.

D. Despite the Serious Deficiencies in Its OSS, SBC Is Scaling Back the OSS Support That Is Providing To CLECs.

196. Notwithstanding the deterioration in the performance of its OSS, and the serious underlying flaws in the OSS, SBC in recent months has *reduced* the amount of OSS support that it makes available to CLECs by reducing the number of its Account Management Team personnel to which AT&T often looks for assistance in resolving OSS problems. This, along with the reasons noted above, indicate that SBC is not meeting its obligation not only to deploy "the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions" but also to "adequately assist competing carriers to understand how to implement and use all of the OSS functions available to them." *Qwest Nine-State Order*, App. K ¶ 29.

197. In considering whether a Section 271 applicant has provided access to OSS that gives CLECs a meaningful opportunity to compete, the Commission "will give substantial consideration to evidence showing that the BOC provides adequate technical assistance and help desk support to competing carriers seeking to use its OSS." *New York 271 Order* ¶ 126. Rather than provide adequate technical support, however, SBC recently reduced the support that it was previously providing.

198. On December 18, 2002, SBC announced a "reorganization" of its Account Management Teams, which went into effect in January 2003. As a result of this reorganization,

SBC no longer dedicates one of its Account Team Vice Presidents to AT&T. Instead, the SBC Vice President previously assigned to AT&T's account has been replaced by one of two account representatives who will support *hundreds* of CLECs throughout SBC's 13-State territory. Furthermore, under the reorganization, SBC now dedicates only one third-level manager (Account Team Director) to supporting AT&T's local competition issues in contrast to the two Directors who were previously dedicated to AT&T. Finally, SBC has reduced the number of its Account Managers who work on local service issues by assigning 15 percent of them to handle access issues instead.

199. It is AT&T's understanding that SBC's reorganization will adversely affect not only AT&T, but all CLECs as well. For example, although SBC previously assigned six Vice Presidents to handle local and access issues, it now assigns only two Vice Presidents to support CLECS.

200. It is unrealistic to believe that, with these reductions in personnel, SBC can provide CLECs with the level of assistance that preexisted its "reorganization." The "reorganization" is even more disturbing because, as described in this Joint Declaration, the assistance provided by SBC to CLECs was inadequate even *prior* to January. Thus, the reorganization is likely to reduce even further the quality of the technical assistance provided by SBC, and increase the delays that CLECs have encountered before SBC finally responded to OSS issues. This, in turn, will likely require CLECs to resort more to litigation before they can finally obtain adequate resolution of OSS problems.

201. SBC has advised AT&T that it implemented the "reorganization" in order to provide better support for switched and special access services, which yield significantly more

revenue for SBC than do "local products." SBC, however, made this change without soliciting AT&T's input, even though AT&T is SBC's largest customer of access services. Had SBC solicited AT&T's opinion, AT&T would have confirmed its satisfaction with the then-current integrated Account Team Structure, the need for consistent focus on local issues, and AT&T's desire to maintain the flexibility to prioritize its requests into a dedicated Account Team to meet evolving business needs.

202. Thus, SBC's claim that it "has established an Account Team for each CLEC customer" is highly misleading. *See* Cottrell Aff. ¶ 82. SBC's new "reorganization" reduces the number of personnel to whom AT&T can look for assistance in resolving OSS issues, and has eliminated its previous practice of dedicating one of its Account Team Vice Presidents exclusively to assist AT&T. AT&T will therefore find it even more difficult in the future to obtain adequate assistance in resolving problems with the OSS.

CONCLUSION

203. In summary, SBC has not yet provided CLECs with nondiscriminatory access to OSS. There is no reason to think SBC's OSS performance will improve. To the contrary, at the very time that SBC should be devoting more resources into improving its performance, it is cutting back instead. All signs – including SBC's decision to scale back its technical support for CLECs seeking to use SBC's OSS, its unwillingness to accommodate the versioning requirements that CLECs to engage in line-splitting, and its refusal to implement any reasonable approach to change management – point to steadily worsening performance and greater obstacles to effective local competition in Michigan.

VERIFICATION

I declare under penalty of perjury that the facts stated herein are true and correct, to the best of my knowledge, information, and belief.

/s/ Sarah DeYoung
Sarah DeYoung

Date: February 6, 2003

REDACTED
FOR PUBLIC INSPECTION

VERIFICATION

I declare under penalty of perjury that the facts stated herein are true and correct, to the best of my knowledge, information, and belief.

/s/ Walter W. Willard
Walter W. Willard

Date: February 6, 2003